Oregon
Kate Brown, Governor

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

AGENDA ITEM NO.

I.C.

Notice of Agenda

OREGON REAL ESTATE BOARD

Regular Meeting Agenda

Oregon Real Estate Agency
530 Center St. NE, Suite 100
Salem, OR 97301
Monday, June 3, 2019

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

I. BOARD BUSINESS – Chair Farley
- A. Call to Order
- B. Chair Farley comments/Roll Call
- C. Approval of the Agenda and Order of Business
- D. Approval of 4.1.19, regular meeting minutes
- E. Date of the Next Meeting: 8.5.19, Hood River, OR, venue to be announced and begins at 10am.

II. PUBLIC COMMENT – Chair Farley
- 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 Farley. Waiver request log.
- A. Ruth Howard requests an experience requirement waiver to become a principal broker.

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER– Chair Farley - Approval of petition log.
- A. Old Republic Exchange Company, Ashley Stefan will appear

V. NEW BUSINESS – Chair Farley

VI. REPORTS – Chair Farley
- A. Commissioner Strode
  1. Proposed revamp of board meetings
  2. Correspondence from Mr. Baker
- B. Agency division reports-Deputy Commissioner Dean Owens
  1. Regulation Division – Selina Barnes
  2. Land Development Division – Michael Hanifin
  3. Education, Licensing, and Administrative Services Division – Anna Higley and Maddy Alvarado

VII. ANNOUNCEMENTS – Chair Farley. Next board meeting: 8.5.19, Hood River, OR, venue to be announced and begins at 10am.

VIII. ADJOURNMENT – Chair Farley

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

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AGENDA ITEM NO.

I.D.

OREGON REAL ESTATE BOARD

Regular Meeting Minutes
Oregon Real Estate Agency
530 Center St. NE, Suite 100
Salem, OR 97301

Monday, April 1, 2019

BOARD MEMBERS PRESENT: Jef Farley, Chair
Debra Gisriel
Susan Glen
Jose Gonzalez
Dave Hamilton
Pat Ihnat
Dave Koch
Alex MacLean

BOARD MEMBERS ABSENT: Lawnae Hunter, excused

OREA STAFF PRESENT: Dean Owens, Deputy Commissioner
Selina Barnes, Regulation Division Manager
Maddy Alvarado, Customer Service Manager
Michael Hanifin, Land Development Division Manager

GUESTS PRESENT: Peter Bale, Peter Bale Consulting
Ross Kelley, (W)HERE, Inc.,
Laurie Thiel, RE/MAX Equity Group
Barbara Geyer, Barbara Geyer Real Estate
Michelle Bradley, Redfin
Alison Kangas, Blue Flag Realty
Maureen Swan, Portland Proper Real Estate LLC
Pamela Benoit, REACH CDC
John Bradford, Doug Bean & Assoc.
Colleen Gordon, Keller Williams Realty Professionals
Randy Hoaglin, C & R Real Estate Services Co.
Kevin Kelly, Home Smart Realty Group
Stacey Krys-Harrison, Home Smart Realty Group
Scott Moore, SMMP LLC
Lane Mueller, Wise Move Real Estate

I. BOARD BUSINESS – Chair Farley

A. Call to Order. Chair Farley called the meeting to order at 10am.
B. Chair Farley comments/Roll Call. Chair Farley 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 2.4.19 regular meeting minutes.

MOTION TO APPROVE THE 2.4.19 REGULAR MEETING MINUTES BY DAVE KOCH
SECOND BY DEBRA GISRIEL
MOTION CARRIED BY UNANIMOUS VOTE

E. Date of the Next Meeting: 6.3.19, in Salem, OR venue to be determined, to begin at 10am.

II. PUBLIC COMMENT – Chair Farley. Unidentified attendee #1 asked about the duties of a dual agent in relation to tenants. Chair Farley explained agents have a fiduciary responsibility. Mr. Koch responded dual agents should be cautious and fair/equitable in dealing with clients. Selina Barnes explained the Agency's laws and regulations regarding dual agents only applies to buyers and sellers. Unidentified attendee #2 asked about why buyers are have more involvement in transactions than sellers. Pat Ihnat summarized the current statutes which do not allow state involvement in making changes. Colleen Gordon asked for an update on HB2513, which proposed an amendment to fiduciary duties to clients. Debra Gisriel suggested Ms. Gordon attend the realtors day at the Capitol or visiting Oregon Association of Realtors webpage for more information regarding HB2513.

- 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. NEW BUSINESS – Chair Farley

A. PROTECTING VULNERABLE OREGONIANS FROM FINANCIAL ABUSE – Guest Speaker, Billie McNeely, Oregon's Financial Exploitation Specialist. Ms. McNeely provided a power-point presentation regarding various forms of elder abuse and the reporting/complaint process.

B. 2019 Governor's State Employee Food Drive Results – Commissioner Strode. Commissioner Strode reported the Agency's food donations were equivalent to 59 meals and cash donations were equivalent to 2,380 meals.

IV. REQUESTS FOR WAIVERS – Chair Farley. Waiver request log.

A. Ross Kelley requests experience requirement waiver. Chair Farley asked Mr. Kelley to expand on the basis of his request for a waiver. Mr. Kelley explained that since his appearance before the board about a year ago he had completed two transactions and had a listing pending. Mr. Kelley stated that becoming a principal broker would allow him to provide quality service to his clients and also open his own real estate brokerage firm. **DISCUSSION:** Alex MacLean expressed his appreciation to Mr. Kelley for appearing before the board for a second time and also encouraged him to continue gaining the required experience to become a principal broker. Jose Gonzalez explained that his personal experience of learning from principal brokers was instrumental for him in becoming a principal broker.

MOTION TO DENY ROSS KELLEY'S REQUEST FOR WAIVER BY DEBRA GISRIEL
SECOND BY DAVE HAMILTON
MOTION CARRIED BY UNANIMOUS VOTE

V. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER– Chair Farley. None.

VI. BOARD ADVICE/ACTION – Commissioner Strode

A. June 3, 2019 board meeting in Salem, OR. Commissioner Strode stated no action necessary at this time as venue for June 3, 2019 meeting will be announced at a later time.

VII. ADMINISTRATIVE ACTIONS SUMMARY – None.

VIII. REPORTS – Chair Farley

A. Commissioner Strode**.** Commissioner Strode explained that he was looking forward to his new role, continuing to improve relationships with stakeholders, and strive to improve the Agency's KPM levels. He stated that the Agency would be developing a work group sometime in the second or third quarter of this year to review the continuing education process.

B. Agency division report – Deputy Commissioner Dean Owens. Mr. Owens explained the Agency's process for continuing education credit for attendees of board meeting and the afternoon class "Attention: Violation Prevention".

1. Regulation Division - Selina Barnes. Ms. Barnes: Catroina McCraken, new AAG introduction and explained her role with Agency. She also summarized the statistics/information provided in the division report. Ms. Barnes explained the complaint process as well.
2. Land Development Division - Michael Hanifin. Mr. Hanifin summarized the statistics/information provided in the division report and a legislative update.
3. Education, Licensing, and Administrative Services Division – Maddy Alvarado. Ms. Alvarado summarized the statistics/information provided in the division report.

IX. ANNOUNCEMENTS – Chair Farley. Next board meeting: 6.3.19 in Salem, OR, venue to be determined, to begin at 10am.

X. ADJOURNMENT

Respectfully submitted,

_____
STEVE STRODE, COMMISSIONER

Respectfully submitted,

_____
JEF FARLEY, BOARD CHAIR

AGENDA ITEM NO. III.

OREGON REAL ESTATE AGENCY – Experience Requirement Waiver Request Log (2018-2019)

DATE	NAME	LICENSE TYPE	APPROVED/DENIED	FACTS AND BOARD DISCUSSION
04.02.18	Ross Kelley	PB	Denied	**FACTS**: Ross Kelley requests a waiver of experience to become a principal broker. Mr. Kelley explained his request was based on his legal experience on both residential and commercial real estate and also that his business model would be a small scale of commercial properties. Dave Koch asked Mr. Kelley about his attitude towards managing and Mr. Kelley responded that his goal would be to provide exemplary service and he has reviewed ORS Chapter 696. Mr. Koch asked Mr. Kelley if he had supervision experience and Mr. Kelley responded that has supervised paralegals, attorneys and in his current position as well. Alex MacLean asked Mr. Kelley if he has had any experience with day to day transaction activity and Mr. Kelley responded he has worked with many brokers as well as buyers and sellers. **MOTION TO DENY MR. KELLEY'S REQUEST FOR WAIVER OF EXPERIENCE AND RECOMMEND MR. KELLEY MAKE HIS REQUEST AFTER ONE YEAR OF EXPERIENCE BY DAVE KOCH** **SECOND BY PAT IHNAT** **MOTION CARRIED BY UNANIMOUS VOTE**
06.04.18	Ryan McGraw	PB	Approved	**FACTS:** Ryan McGraw requests experience waiver to become principal broker. Mr. McGraw appeared and explained the basis for his request for waiver was that he has practiced real estate law in some form for 9 years. He also explained that for the past 2 years he has been the equivalent to a principal broker in California, however, he relocated to Oregon and did not build the business in California. Mr. McGraw obtained his broker license in Oregon about a year ago and has handled some transactions but his goal was to build a residential property management business while continuing to sell homes. Dave Koch asked Mr. McGraw what supervisory experience he had. Mr. McGraw responded that for the last 6 years he has been responsible for supervising 22 staff in his current role. Dave Hamilton asked Mr. McGraw if he was operating as both realtor with a company and also the energy company. Mr. McGraw responded that he was operating as both. Commissioner Bentley clarified the area of concern for board members was Mr. McGraw his lack of experience in supervising new licensees and Mr. McGraw responded that he agreed with that concern and would only take on licensees that are fully experienced. Discussion: Alex MacLean stated although Mr. McGraw's lack of experience with supervision was a concern Mr. MacLean was in support of approval of this motion. Mr. Koch asked Mr. McGraw to expand on his management process/experience and Mr. McGraw described how he has handled various personnel issues as a manager/supervisor. Jose Gonzalez also expressed his support for approval of this motion. Pat Ihnat asked Mr. McGraw how he handled lease negotiations and Mr. McGraw responded that he has been involved as supervising and also has used brokers. **MOTION TO APPROVE RYAN MCGRAW'S REQUEST FOR WAIVER OF EXPERIENCE BY LAWNAE HUNTER** **SECOND BY PAT IHNAT** **MOTION CARRIED BY UNANIMOUS VOTE**
12.10.18	Joseph Edwards	PB	Withdrawn	Joseph Edwards requests an experience waiver, Mr. Edwards contacted the agency to cancel his appearance due to unsafe road conditions.
04.01.19	Ross Kelley	PB	Denied	Ross Kelley requests experience requirement waiver. Chair Farley asked Mr. Kelley to expand on the basis of his request for a waiver. Mr. Kelley explained that since his appearance before the board about a year ago he had completed two transactions and had a listing pending. Mr. Kelley stated that becoming a principal broker would allow him to provide quality service to his clients and also open his own real estate brokerage firm. **DISCUSSION:** Alex MacLean expressed his appreciation to Mr. Kelley for appearing before the board for a second time and also encouraged him to continue gaining the required experience to become a principal broker. Jose Gonzalez explained that his personal experience of learning from principal brokers was instrumental for him in becoming a principal broker. **MOTION TO DENY ROSS KELLEY'S REQUEST FOR WAIVER BY DEBRA GISRIEL** **SECOND BY DAVE HAMILTON** **MOTION CARRIED BY UNANIMOUS VOTE**

6.3.19	Ruth Howard	PB		

Oregon Real Estate Board

Experience Requirement Waiver Request

Date: 5/9/2019
Name RUTH A HOWARD
Address: 6431 S. WHISKEY HILL RD HUBBARD OR 97032
Daytime Phone Number: 503-318-6772 **Oregon License Number:** 201220057

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 and Oregon real estate license: 3/31/17 **to** Present
   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 and OAR 863-014-0042, I have:**

	Yes	No	Date Completed	Additional Required Information	Agency Use Only
Completed the "Broker Administration and Sales Supervision" course for principal real estate brokers. **Must be completed PRIOR to waiver request.**	X		4/23/19	Attach original course certificate.	
Submitted the Real Estate License Application for Principal Broker license and $300 fee. **Must be completed PRIOR to waiver request.**	X		5/8/19	Attach copy of confirmation letter from Agency.	
Successfully passed the Oregon Principal Broker exam. **Must be completed PRIOR to waiver request.**	X		5/6/19	**National Score:** 65.0 **State Score:** 45.0	
Graduated from a four-year college or university with a degree in real estate curriculum approved by the Commissioner.(863-014-0042)		X		Attach official transcript to request, if any.	
Graduated with a two-year community college associates degree in real estate curriculum approved by the Commissioner. (863-014-0042)		X		Attach official transcript, if any.	
Substantial real estate-related experience equivalent to at least 3 years active licensed experience. Include any real estate designations achieved. (OAR 863-014-0042)	X			Attach a written details about your additional real estate experience that would assist in the Board's consideration of your waiver request.	

Included the number and type of real estate transactions (listings and transactions that were closed) I have completed while holding a real estate license in Oregon or in another state.			20 sides (11 listings) 4 current listings	Attach a document showing the number and types of transactions you have completed while licensed, if any.	

REQUIRED DOCUMENTS

Listed below are the required documents to be included in the request for an experience waiver.

1. Your letter requesting a waiver of the three year active licensed experience. This letter should:
   - State the reason for the request, including the compelling reason why you cannot to complete the three years of active licensed experience.
   - Indicate the real estate experience you have that would be an acceptable substitute for the three years of required experience.
   - Explain how you obtained the knowledge and expertise to adequately manage a real estate business, which includes supervising Oregon real estate licensees and handling clients' trust accounts.
2. Required documentation listed above in the General Information and Documentation section #4.

HELPFUL DOCUMENTS

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

- Letters of reference pertaining to your real estate experience
- Letters of reference from current or past supervising principal brokers
- Supervisory experience
- 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 email all documents, including this completed and signed "Experience Requirement Waiver Request," to madeline.c.alvarado@state.or.us.**

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, and 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.

2019 BOARD MEETING DATES

MEETING DATE	***LOCATION***	***WAIVER PACKET DUE DATE***
February 4, 2019	Salem	January 5, 2019
April 1, 2019	Portland	March 11, 2019
June 3, 2019	TBD	May 13, 2019
August 5, 2019	TBD	July 15, 2019
October 7, 2019	TBD	September 16, 2019
December 2, 2019	Salem	November 11, 2019

To the Oregon Real Estate Board of Directors:

I respectfully submit an Experience Requirement Waiver and request your approval based on the following years of related experiences. Since obtaining my Brokers license in March of 2017 I have closed 20 transactions, 11 of which were my own listings. Currently I have 1 pending and 3 active listings. I believe my record thus far coupled with the cumulative experiences I have listed below have prepared me for the many responsibilities associated with the license of Principle Broker. Equally as important to me is the fact that I have the support and encouragement of people within the company that I respect and admire whose recommendations are attached to this request packet.

Thank you for your consideration,

1980-1981 Art Lutz and Co Realtors

- Secretarial duties including typing and assisting with preparation of listing and sales contracts

1981-1991 Canby Union Bank/First Interstate Bank

- Cross trained in all departments including lending.

1987-2012 Small Business Owner

- Landscape Design and Maintenance
    - Bookkeeping and Management responsibilities

2010-2013 Small Business Owner

- Home Staging and Interior Redesign
    - Worked with Realtors and homeowners to market homes for a successful sale.

2013-2017 Hope Village Senior Living Community

- Introduce clients and potential residents to community
- Executed 61 lease contracts representing more than 40% of total inventory
- Gather and analyze income data qualifications for prospective residents
- Develop and maintain a healthy wait list
- Increase and sustain occupancy levels
- Develop programs, activities and events to foster a healthy living environment for 500+ Older adults
- Supervise staff and volunteers in the execution of stated goals
- Manage client/resident expectations
- Nurture lead sales funnel for successful conversions
- Building development
    - Plan, organize and facilitate Focus Groups to determine feasibility of proposed building plans.
    - Analyze and document data gathered from Focus Groups for submission to Board of Directors.
    - Work with Architects, builders, support staff and city planners to design a new 12 home community
    - Successfully marketed and pre -sold all 12 new homes prior to completion

May 10, 2019

Oregon Real Estate Agency
Board of Directors

RE: Granting Principal Broker License Early

Dear Board of Directors:

I am the current President and responsible Principal Broker for RE/MAX Equity Group. I have held an active real estate license since 1992. The purpose of this letter is to request that the Board waive the three-year requirement for Ruth Howard's Principal Broker License.

Bill Reif is the current Principal Broker managing our Canby office. He has held the office for twelve years but began considering his retirement in 2018. Bill recruited Ruth Howard in 2017 and last fall made the decision to begin mentoring Ruth as the incoming Manager for the Canby location.

Ruth was born and raised in Canby and is a strong supporter of the community. She came to RE/MAX Equity Group with a long history of professionalism in sales. Prior to starting her career in real estate, she was employed as a leasing agent for a number of years at Hope Village in Canby. Ruth has excelled in her real estate business over the last 26 months. She has successfully closed 20 transactions since March of 2017 and she is one of our top-performing brokers at that location. The number of transactions Ruth has successfully been a part of gives her more experience on average than most agents in the Portland Metro region. Ruth exemplifies the highest degree of professionalism in real estate and was recently honored as one of our top agents of 2018.

Ruth has attended all of our leadership meetings in the past 6 months and actively participates in all company events. She is an example of the values held in esteem at RE/MAX Equity Group: Integrity, Passion, Collaboration and Innovative Growth. I have watched Ruth grow both her business and her skills as a leader. I highly recommend that Ruth be granted her principal broker license early so that she can step into the manager role for which she has actively been training.

Respectfully,

Laurie Thiel

Laurie Thiel, President and Principal Broker

RE/MAX equity group
PO Box 25308, Portland, Oregon 97298
Office: (503) 670-3000, Fax: (503) 495-3077

May 8, 2019

To Whom it May Concern:

Ruth Howard has been a Broker at RE/MAX Equity Group, Canby Branch, since March 22, 2017. Since day one she has been one of our top producers. Ruth has a unique ability to connect with all types of people, regardless of their background. She is in a constant learning mode to make sure she has the tools to best serve her clients. As her Managing Principal Broker, I have observed her cooperatively working with other Brokers in our office. Ruth is also very involved in our community. She serves on the board of directors, as secretary, for the Canby Adult Center. During the past six months our management team, including Laurie Thiel, President of RE/MAX Equity Group, and myself, have been training her to replace me as the active Managing Principal Broker. Our plan is for me to retire soon, from management, but continue to mentor Ruth.

I would recommend Ruth Howard, without reservation, to be a Managing Principal Broker, at RE/MAX Equity Group, Canby Branch.

Bill Reif
Managing Principal Broker
RE/MAX Equity Group

HOPE VILLAGE

May 9, 2019

To whom it may concern:
I am proud to recommend Ruth Howard for any marketing or sales position. She first worked for Hope Village (HV) as a private contractor, staging our vacant units during a depressed economy. In July of 2013 our Marketing Coordinator took a family leave of absence and Ruth was asked to fill that position in an interim capacity. She learned our leasing policies and procedures quickly and when our former Marketing Coordinator later resigned, I asked Ruth to consider applying. After a thorough recruitment and interview process that included some great candidates, I was pleased to offer Ruth this position.

Ruth worked for HV from July of 2013 until February of 2017; she was later offered a career opportunity in Real Estate. During her tenure at HV, Ruth demonstrated an aptitude for grasping concepts quickly. She managed our waiting list and kept in close contact with prospective residents. Duties included gathering income data and analyzing income qualifications. Ruth was also responsible for organizing numerous marketing and promotional events. She had a natural ability to coordinate and manage staff and volunteers for these events.

Ruth also played an important part in our expansion. This role included directing focus group meetings with regards to building styles and amenities. She worked closely with existing residents developing improvements and upgrades for senior living units. She collaborated with the construction team from design through the construction and ending with leasing twelve new units ahead of our marketing forecasts.

In the three and a half years that Ruth worked for HV, she was responsible for the lease signings for almost half of our Independent living inventory. Ruth maintained great relationships with both residents and staff. She is naturally engaging, authentic and a team player. She unselfishly assists her coworkers applies her talents in a non-threatening way. Ruth's competence, authenticity and warm personality will be an asset to any organization that she is associated with. She comes with my highest recommendation.

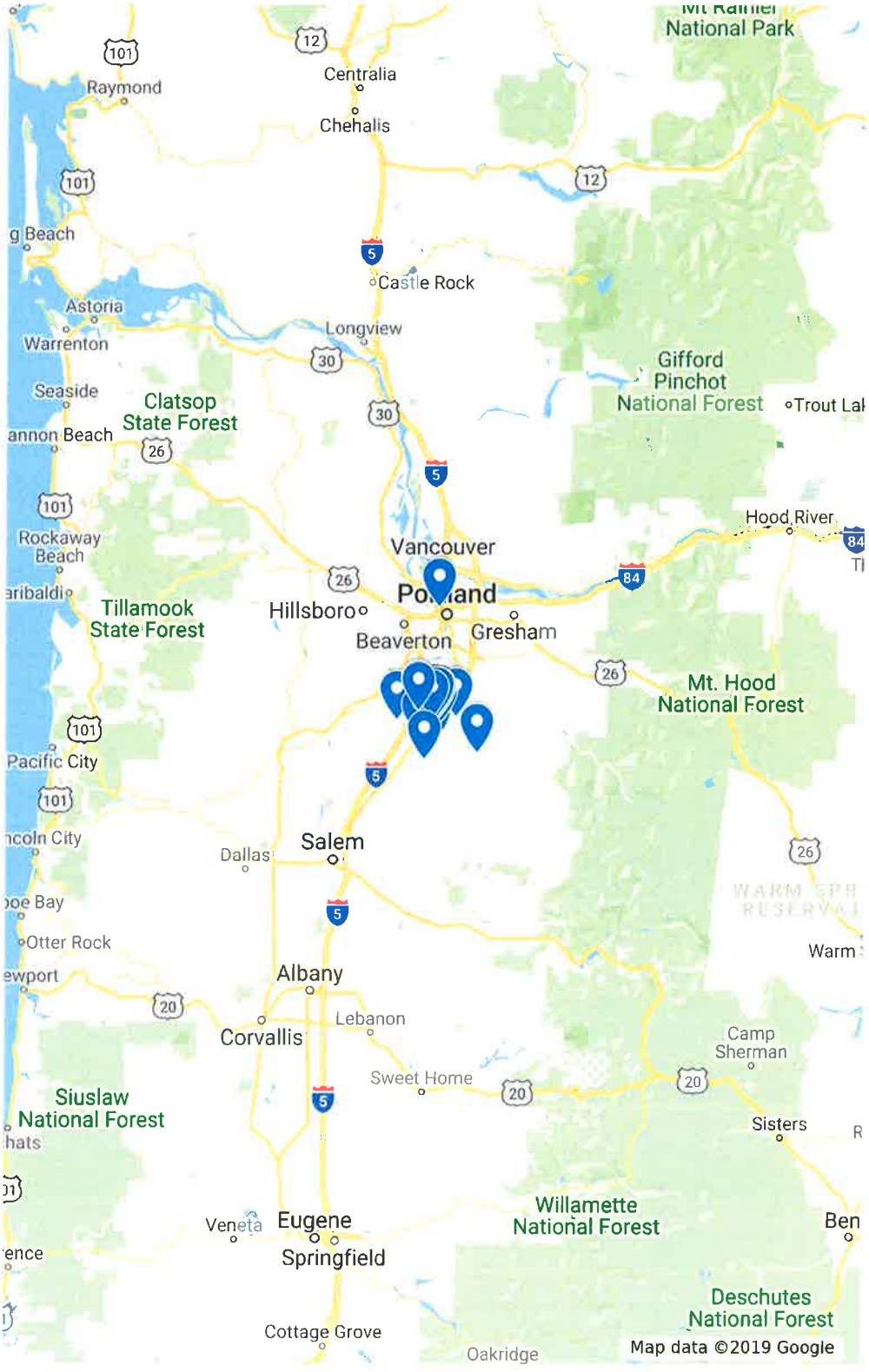
Respectfully,

Craig Gingerich
Executive Director, Hope Village

My Recent Sales - total completed transactions

My Recent Sales

- 462 SE 16th Ave
- 1370 N Birch St - L
- 535 SE 2nd Ave
- 124 NE 5th Ave - L
- 742 NW 3rd Ave
- 1350 SE 7th Ave
- 11700 S Makin Ln
- 11575 Bunting Ln NE - L
- 27312 S Gribble Rd
- 637 S Ponderosa Ct - L
- 1043 N Pine St - L
- 26470 S Meridian Rd - L
- 355 NW 12th Ave - L
- 1350 N Manzanita St - L
- 15061 Park Ave NE - L
- 785 N Aspen St
- 28955 S Dalmation Rd - L
- 6534 S Whiskey Hill Rd - L
- Charbonneau Range
- 32335 SW Lake Dr



Listing Inventory - current Active & Sold listings

Presented by: Ruth Howard rhoward@equitygroup.com 255 SW 1st Ave 5/9/2019 4:12:46 PM
RE/MAX Equity Group

Search Criteria

Property Category = RESIDENTIAL, LOTS AND LAND Status = ACT,PEN,SLD Search Type Agent = Seller's Agent Agent ID(s) = HOWARDRU Sort = Status

Report Data

Total 15 Records

MLS#	Internal ID	Type	Address	Area	Seller's Agent	List Date	Status	Price Current	Status Date	Exp Date	Buyer's Agent Agent
16054801		LND	1586 SE 3RD CT	146	Ruth Howard	6/09/16	ACT	$110,000	6/09/16	10/07/19	
17576448		LND	1579 SE 3RD CT	146	Ruth Howard	12/20/17	ACT	$110,000	12/20/17	10/07/19	
19353770		RES	1321 S BIRCH CT	146	Ruth Howard	3/20/19	ACT	$344,000	3/20/19	9/10/19	
19240029		LND	22060 S CENTRAL POINT RD	146	Ruth Howard	5/02/19	PEN	$425,000	5/04/19	10/15/19	
17189877		RES	11575 BUNTING LN	170	Ruth Howard\ Roseann Crum	5/03/17	SLD	$89,000	6/06/17	11/03/17	Roseann Crum
17347524		RES	124 NE 5TH AVE	146	Ruth Howard	7/21/17	SLD	$260,000	10/27/17	1/10/18	Katrina Peters
17082214		RES	1370 N BIRCH ST	146	Ruth Howard	11/03/17	SLD	$436,000	12/29/17	2/03/18	Daniel Webb
18296956		RES	1043 N PINE ST	146	Ruth Howard	3/02/18	SLD	$431,540	4/18/18	8/23/18	Rick Christensen
18652709		RES	637 S PONDEROSA CT	146	Ruth Howard	2/23/18	SLD	$372,500	4/24/18	8/15/18	Jerry Fisher
18214148		RES	26470 S MERIDIAN RD	146	Ruth Howard	4/05/18	SLD	$745,000	5/10/18	9/30/18	Allen Manuel
18693705		RES	355 NW 12TH AVE	146	Ruth Howard	6/25/18	SLD	$384,720	8/15/18	12/14/18	Denyce Moody
18269541		RES	1350 N MANZANITA ST	146	Ruth Howard	7/25/18	SLD	$337,500	9/28/18	1/14/19	Bradley Wulf
18544459		RES	15061 PARK AVE	170	Ruth Howard	10/03/18	SLD	$380,000	11/16/18	3/21/19	Karen Walsh
18052640		RES	28955 S DALMATIAN RD	146	Ruth Howard	7/18/18	SLD	$775,000	12/21/18	1/19/19	Victoria Hudson
18605390		RES	6534 S WHISKEY HILL RD	146	Ruth Howard	9/06/18	SLD	$350,000	1/09/19	1/15/19	Thomas Nelson

Principal Broker Course Completion Certificate

THIS CERTIFICATE WILL VERIFY THAT:

Ruth Howard

Real Estate License Number: 201220057

Mailing Address of:
6431 S Whiskey Hill Rd, Hubbard, OR 97032

has successfully completed the final examination for the correspondence/Internet study course:

Brokerage Administration and Sales Supervision

The course credit granted is **40 hours** on the date of **April 23, 2019** at www.OnlineEd.com. The date of completion is the date the actual Internet study course examination was actually taken and graded. This course is approved by the Oregon Real Estate Agency to meet the requirements of the Oregon Principal Real Estate Broker - Brokerage Administration and Sales Supervision 40 hour course required as a prerequisite to obtaining an Oregon Principal Real Estate Brokers License.

THIS OFFERING IS UNDER THE TOPIC OF
Brokerage Administration and Sales Supervision

OREGON REAL ESTATE AGENCY CERTIFIED CONTINUING EDUCATION COURSE

PROVIDER COURSE NUMBER: **1038-1039**

THIS COURSE WAS SPONSORED AND THIS CERTIFICATE ISSUED BY:

OnlineEd Inc.
N. Jeffrey Sorg, School Director
7405 SW Beveland Road, Portland, OR 97223
mail@OnlineEd.com, https://www.onlineed.com/
Phone: (503) 670-9278

Certificate Authentication Number: 931237
This certificate is void if the above authentication number cannot be verified by OnlineEd
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OnlineEd

OREGON.gov

Exit

Confirmation

Please keep a record of your Confirmation Number, or print this page for your records.

Confirmation Number **ORREAB000133087**

Payment Details

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

Payment Amount $300.00

Payment Date 05/08/2019

Status PROCESSED

Payment Method

Payer Name Ruth Howard

Card Number *6548

Card Type Visa

Approval Code 09347D

Confirmation Email rhoward@equitygroup.com

Billing Address

Address 1 6431 S Whiskey Hill Rd

City/Town Hubbard

State/Province/Region OR

Zip/Postal Code 97032

Country USA

Oregon Real Estate Agency

Real Estate Broker
Score Report

Ruth Howard
6431 S Whiskey Hill Rd
Hubbard, Oregon 97032

Candidate ID: XXX-XX-0057

Exam: OR Principal Broker Exam - OR Principal Broker - State
Exam Date: 05/06/2019

PASSING SCORE: 38.0 (75%) **YOUR SCORE: 45.0** **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	4
Property Management	8	7
Oregon Real Estate Related Statutes	14	12
	50	

90%

- 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

Ruth Howard
6431 S Whiskey Hill Rd
Hubbard, Oregon 97032

Candidate ID: XXX-XX-0057

Exam: OR Principal Broker Exam - OR Principal Broker - National
Exam Date: 05/06/2019

PASSING SCORE: 60.0 (75%) **YOUR SCORE: 65.0** 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	11
Land Use Controls and Regulations	5	5
Property Ownership	6	5
Transfer of Title	5	2
General Principles of Agency	11	10
Real Estate Calculations	4	2
Valuation and Market Analysis	6	4
Financing	7	5
Mandated Disclosures	9	9
Practice of Real Estate	12	10
Specialty areas	3	2

80

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81%

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

Alliance | Consulting

Memorandum

Date: June 10. 2019
To: Whom it May Concern
From: Dennis Russell, Consultant - MHS Consulting
Re: Reference for Ruth Howard

I worked with Ruth as a consultant to Hope Village for a period of three (3) years. During that time, I was the President and CEO of MHS Consulting a wholly owned subsidiary of MHS Alliance. I work with numerous clients across the country and observe executives and senior staff manage significant changes in operational and physical expansion for their respective organizations.

In my time with Hope Village Ruth demonstrated the capacity to manage the recent expansion of a retirement community needing to add new housing product, revise the marketing approach, collateral materials and train staff to better understand the needs of the prospective residents. Managing change and implementing systems required building trust and communications skills which was evident in the outcomes she produced. She also modeled a professional standard of competence, empathy and listening skills that will serve any organization well into the future.

I can recommend Ruth Howard without reservation and would encourage any organization that needs a capable, caring and competent individual to make her a part of their team. If you would like to discuss my experience with Ruth further, please don't hesitate to reach out to me by email dennis@mhsonline.org or phone (503) 539-0921.

AGENDA ITEM NO. IV.

OREGON REAL ESTATE BOARD - CEP LOG (2016-2019)

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	**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 **MOTION TO APPROVE CMPS INSTITUTE'S PETITION TO QUALIFY AS A CONTINUING EDCUATION PROVIDER BY MARCIA EDWARDS** **SECOND BY LAWNAE HUNTER** **MOTION CARRIED BY UNANIMOUS VOTE**
10.3.16	Michelle Moore	APPROVED	**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. **MOTION TO APPROVE BY DAVE KOCH** **SECOND BY LAWNAE HUNTER** **MOTION CARRIED BY UNANIMOUS VOTE**
12.05.16	Brix Law LLP	APPROVED	**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.
02.06.17	Systems Effect LLC	APPROVED	**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 I 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.
02.06.17	American Dream Real Estate School LLC	APPROVED	**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.
02.06.17	Asset Preservation Inc.	APPROVED	**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 is 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.
02.06.17	Military Mortgage Boot Camp	APPROVED	**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.
02.06.17	Fairway Independent Mortgage Corp.	APPROVED	**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
04.03.17	Envoy	APPROVED	**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.
04.03.17	Oregon Rental Housing Association Education Inc.	APPROVED	**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.
06.05.17	Mason McDuffie Mortgage Corp.	APPROVED	**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.
8.7.17	Real Estate Training Institute, a division of Certified Training Institution	APPROVED	**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.
10.02.17	Housing and Community Services Agency of Lane County	APPROVED	Mr. Baker explained he is the landlord liaison at HACSA and is in charge of maintaining the line of communication with landlords. He also stated that HACSA manages the section 8 program for all of Lane County. Mr. Baker explained the courses he offers cover the following topics: fair housing laws and policies, risk management, & advertising regulations, which are acceptable course topics. Chair Edwards asked Mr. Baker if he was familiar with the recordkeeping requirements for continuing education providers. Mr. Baker responded based on the recordkeeping requirements HACSA intends to maintain records both electronically and paper. Farley: Have you been offering courses both and working under a provider? Baker-currently we are partnering with the rental owners association of Lane Co who is a licensed provider-the reason we are asking for our agency is basically not being able to offer classes to the public at large being able to only offer classes to members of the association as well as property managers having to pay for those credits-we want to offer those credits for free. Edwards: excellent resource in Lane County I appreciate your outreach efforts.
10.02.17	Lumos Academy	APPROVED	Ms. Mueller explained Lumos is designed to provide exemplary real estate education and our goal is really to do our best to raise the competency level of the brokers throughout the State-better educated broker is better for the client-currently we have 3 instructors. Ms. Mueller explained that the courses offered by Lumos cover the following course topics: 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, and negotiation, which are considered acceptable course topics.
12.04.17	Jesse Rivera	APPROVED	Jesse Rivera appeared in person and explained that he has extensive experience as an instructor and the courses he currently offers include the following course topics: Contracts, compliance with social media, real estate finance, real estate valuation, & negotiation, which are considered acceptable course topics. Ms. Rathbone asked Mr. Rivera what other topics he would be offering and he responded that he planned on giving instruction on advertising.
12.04.17	Carl W. Salvo	APPROVED	Carl Salvo appeared by phone. Mr. Salvo explained that he had been in the industry since 1997 and has been asked by several industry members to teach classes. Chair Edwards asked Mr. Salvo if he was familiar with the record keeping requirements as a certified continuing education provider and he responded that he was familiar with the record keeping requirements. He also explained the courses he offered cover the following course topics: how rates are determined, loan estimation, & appraisals, which are acceptable

			course topics.
04.02.18	Stephanie Shapiro	APPROVED	**FACTS:** Ms. Shapiro explained she has been involved in some capacity of teaching since 2007. She also explained she has been teaching home energy classes and would like to expand her courses. Chair Farley asked Ms. Shapiro if her company provided services to real estate brokers and Ms. Shapiro indicated that she does provide services to real estate industry. Ms. Shapiro has taught courses under the following topics: consumer protection, disclosure requirements, and real estate law/regulation, which are acceptable course topics. **MOTION TO APROVE MS. SHAPIRO'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY DAVE HAMILTON** **SECOND BY ALEX MACLEAN** **MOTION CARRIED BY UNANIMOUS VOTE**
04.02.18	Sirmon Training & Consulting Group – Jason Sirmon	APPROVED	**FACTS:** Sirmon Training & Consulting Group, Jason Sirmon will appear by phone. Mr. Sirmon explained that his goal was to educate licensees about veterans who are currently on active duty or recently discharged. Chair Farley asked Mr. Sirmon if he was aware he could provide courses as an instructor rather than an continuing education provider and Mr. Sirmon responded that his reason for his petition was based on his approval in 20 different states as a provider and since he is not an instructor it is difficult to manage out of state instructors. Mr. Sirmon offers courses that cover the following topics: NC Mandaotry Update, NC Broker-in-Charge Update, REBAC-Green and Sustainable Housing, REBAC-Short Sales and Foreclosures, Client-Level Negotiation, Commercial and Investment Real Estate, and Ethics in Today's Real Estate, which are acceptable course topics. **MOTION TO APPROVE SIRMON TRAINING & CONSULTING GROUP'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY CONI RATHBONE** **SECOND BY DAVE HAMILTON** **MOTION CARRIED BY UNANIMOUS VOTE**
6.4.18	Finance of America Mortgage	Approved	**FACTS:** Finance of America Mortgage, Austin Strode will appear in person. Christina Danish appeared by phone and explained the petition was based on the company specializing in reverse mortgages. She also explained that the company is responsible for educating the real estate professionals about reverse mortgage/home equity mortgage process. Chair Farley asked Ms. Danish if she was aware that her company could provide education in Oregon as an instructor and Ms. Danish responded she was not aware of this process. Ms. Danish explained the courses FAR offers cover the following topics: reverse mortgage and finance, which are considered acceptable course topics. **MOTION TO APROVE FINANCE OF AMERICA MORTGAGE'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY PAT IHNAT** **SECOND BY DEBRA GISRIEL** **MOTION CARRIED BY UNANIMOUS VOTE**
10.8.18	Lumen Mortgage Corporation	APPROVED	**FACTS:** Lumen Mortgage Corporation, David Blackmon will appear by phone. Mr. Blackmon explained that he was the President of Lumen Mortgage Corporation and his company partners with title and escrow companies to provide continuing education courses specific to condominium financing options as well as investment properties. He also explained that the courses offered include the following topics: Real estate finance; Condominiums; and Unit Owner Associations. Chair Farley asked Mr. Blackmon if the classes he offers are through another continuing education provider and Mr. Blackmon responded confirmed. Chair Farley inquired as to the length and level of experience in providing education. Mr. Blackmon explained he had been offering condominium for the last year and prior to that he provided education regarding condominium financing and unit owner association for 10 years. Dave Koch asked Mr. Blackmon what resources he draws in order to teach classes regarding condominium and unit owner associations and he responded that the structure of the courses is shaped through condominium financing eligibility. Debra Gisriel asked Mr. Blackmon if he was familiar with the record keeping requirements required for continuing education providers and confirmed he was familiar with these requirements. **MOTION TO APPROVE LUMEN MORTGAGE CORPORATION'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY DAVE HAMILTON** **SECOND BY LAWNAE HUNTER** **MOTION CARRIED BY UNANIMOUS VOTE**
10.8.18	HD home Inspections LLC	APPROVED	HD home Inspections LLC, Russell Lucas will appear by phone. Mr. Lucas explained he provides education regarding building components and inspection issues and the acceptable course topic falls under Real estate property valuation, appraisal, or valuation and Real estate law or valuation. Pat Ihnat asked Mr. Lucas if he was familiar with the requirements involved in being a continuing

			education provider and he responded that he was familiar with the all requirements including recordkeeping. Dave Koch asked Mr. Lucas how many photos are involved in the inspections portion of the classes offered and Mr. Lucas responded he uses approximately 50 slides during his presentation. Jose Gonzalez asked Mr. Lucas to describe his interaction with first time buyers and Mr. Lucas explained that as an inspector he provides practical guidance and clarity for home buyers. **MOTION TO APPROVE HD HOME INSPECTION'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY PAT IHNAT** **SECOND BY DAVE HAMILTON** **MOTION CARRIED BY UNANIMOUS VOTE**
10.8.18	Scott Harris	APPROVED	Scott Harris will appear by phone. Mr. Harris explained he is a home inspector and engineer for many years. He also stated that he offers classes which include the following topics: Commercial real estate; Real estate property evaluation, appraisal, or valuation; Risk management; Real estate finance; Real estate development; and Real estate economics, which are all considered acceptable course topics. Mr. Koch asked Mr. Harris to give a brief profile of what the risk management course looked like and Mr. Harris responded this classes include information on how to find out about potential risks involved with properties. Mr. Koch also asked if Mr. Harris was aware of the recordkeeping requirements involved as a continuing education provider and Mr. Harris confirmed his awareness. **DISCUSSION:** Mr. Owens added that it is critical for licensees to consult with experts regarding home inspections. **MOTION TO APPROVE SCOTT HARRIS'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY DAVE KOCH** **SECOND BY LAWNAE HUNTER** **MOTION CARRIED BY UNANIMOUS VOTE**
12.10.18	Julia Felsman	APPROVED	Julia L. Felsman, Ms. Felsman explained she offers courses which include the following topics: Real estate taxation, real estate escrows, appraisals, real estate finance, RESPA, TILA, TRID, Condominium conversions, real estate investing, investment property analysis, economic trends, financial markets, and managing transactions, which are considered acceptable course topics. She also stated that she is very familiar with the record keeping requirements involved in being a continuing education provider. **MOTION TO APPROVE JULIA FELSMAN'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY PAT IHNAT** **SECOND BY DAVE HAMILTON** **MOTION CARRIED BY UNANIMOUS VOTE**
12.10.18	Chris Jacobsen	CONTINUED	Chris Jacobsen will appear by phone. Mr. Jacobsen explained offers courses that include the following topics: loan information, reverse mortgage, down payment assistance, home purchases, and rehabilitation loans. Chair Farley asked Mr. Jacobsen if he familiarized himself with the record keeping requirements associated with being a continuing education provider and Mr. Jacobsen responded that he had not reviewed the requirements. Lawnae Hunter suggested that Mr. Jacobsen's petition be revisited at the next board meeting. Chair Farley also recommended that Mr. Jacobsen's petition be continued to the 2.4.19 meeting agenda to allow him to review ORS Chapter 696 and OAR Chapter 863 regarding continuing education provider requirements.
12.10.18	Paul Davis	APPROVED	Paul Davis, Julie Peck will appear by phone. Ms. Peck explained she offers courses that include the following topics: property management, risk management, and commercial real estate, which are considered acceptable course topics. Chair Farley asked Ms. Peck if she was with the record keeping requirements associated with being a continuing education provider and she responded that she was very familiar with the requirements. **MOTION TO APPROVE PAUL DAVIS'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY LAWNAE HUNTER** **SECOND BY DAVE KOCH** **MOTION CARRIED BY UNANIMOUS VOTE**
02.04.19	Matt Fellman	APPROVED	Matt Fellman.. Mr. Fellman appeared before the board and explained that he offers the following topics in his classes: Consumer Protection, Real Estate Contracts, and Dispute Resolution, which are all considered acceptable course topics. **MOTION TO APPROVED MATT FELLMAN'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY DAVE KOCH** **SECOND BY PAT IHNAT** **MOTION PASSED BY UNANIMOUS VOTE**
02.04.19	Chris Jacobsen	APPROVED	Chris Jacobsen continued from 12.10.18 board meeting to allow Mr. Jacobsen to research ORS Chapter 696 and OAR Chapter 863 regarding CEP responsibilities. Mr. Jacobsen appeared by phone and explained that he had reviewed the rules and laws regarding provider responsibilities. **DISCUSSION:** Dave Hamilton stated that the board needed to be more selective in approving continuing

			education provider petitions. Debra Gisriel indicated she was not able to find a reason to deny Mr. Jacobsen's petition. Mr. Owens clarified that as industry practitioners, the board uses their knowledge and discretion to make these decisions. **MOTION TO APPROVE CHRIS JACOBSEN'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY DAVE KOCH** **SECOND BY DEBRA GISRIEL** **MOTION CARRIED BY SEVEN AYES (JEF FARLEY, DEBRA GISRIEL, SUSAN GLEN, JOSE GONZALEZ, DAVE KOCH, PAT IHNAT, AND ALEX MACLEAN) AND ONE NAY (DAVE HAMILTON)**
02.04.19	Kathy Kemper-Zanck	APPROVED	Kathy Kemper-Zanck. Ms. Kemper-Zanck appeared by phone and explained she had 11 years of experience as a mortgage broker and 3 as an educator. She also explained the primary course she offers covers the topic of Real Estate Finance, which is considered an acceptable course topic. Ms. Kemper indicated she could provide education on the following topics in the future: Advertising Regulations, Real Estate Contracts, Real Estate Property Evaluation, Appraisal or Valuation, Real Estate Title, Real Estate Escrows, and Condominiums, which are all considered acceptable course topics. **MOTION TO APPROVE KATHY KEMPER-ZANCK'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY DAVE KOCH** **SECOND BY ALEX MACLEAN** **MOTION CARRIED BY UNANIMOUS VOTE**
6.3.19	Old Republic Exchange Company, Ashley Stefan		

AGENDA ITEM NO. IV.A.

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 Old Republic Exchange Company Phone Number 800 738 1031

Physical Address 500 Ygnacio Valley Road, Suite 290 Address Cont.

City Walnut Creek State CA Zip Code 94596 County Contra Costa

E-mail astefan@oldrepublicexchange.com

Mailing Address (if different) Address Cont.

City State Zip Code County

AUTHORIZED CONTACT PERSON

Prefix Ms. First Name Ashley Last Name Stefan

Phone Number 800 738 1031 E-mail astefan@oldrepublicexchange.com

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

AGENCY USE ONLY

Approved by Board YES NO

Review Date

Continue on page 2

PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER, Continued

QUALIFICATION INFORMATION

Provide below sufficient information about the petitioner to allow the Board to determine whether the petitioner qualifies for certification. **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.**

Information **MUST** include one or both of the following:

- Petitioner's demonstrated expertise and experience in providing educational courses to real estate licensees.
- Petitioner's demonstrated experience and expertise in two or more course topics eligible for continuing education credit under OAR 863-020-0035.

You may attach up to **three (3)** additional pages if necessary.

Old Republic Exchange Company provides continuing education courses to real estate licensees in California, Nevada, Utah, Hawaii and Washington states, covering all aspects of the 1031 exchange and related duties as they pertain to the licensees providing services to their clients. Topics are established to offer a broad range of understanding to licensees, such as: understanding the basic timing, requirements and concepts of a 1031 exchange; learning about the various structures of exchanges, the differences between them, and how to assist clients in choosing the best structure; and, answering frequently asked questions by clients that arise in a 1031 exchange context, to assist the clients in successfully completing their 1031 exchanges. All regional executives who teach the courses have several years' experience in the industry.

A variation on the two courses which petitioner would offer, if approved, has been taught in the above-referenced states for several years, and together span the following course topics under OAR 863-020-0035:

Real estate consumer protection; Commercial real estate; Real estate contracts; Real estate taxation; Real estate title; Real estate law or regulation.

The courses offered by the petitioner are national in subject matter and not region-specific, and apply to a broad range of real estate transactions encountered by licensees in Oregon State.

Thank you for your consideration.

AUTHORIZATION AND ATTESTATION

- I hereby certify that I am authorized to submit this form on behalf of the petitioner and that the information is true and accurate, to the best of my knowledge.
- I acknowledge that petitioner, or authorized individual on petitioner's behalf, has read, understands and is ready to comply with the statutory and administrative rule provisions applicable to certified continuing education providers.
- I attest that petitioner knows and understands the responsibilities of a certified continuing education provider under OAR 863-020-0050.
- I attest that petitioner knows and understands the requirements of an instructor under ORS 696.186 and the information required on a continuing education instructor qualification form under OAR 863-020 -0060.

Ashley N. Stefan

Printed Name of Authorized Individual

Date 5.10.19

Signature of Authorized Individual

Real Estate Board Meeting – Proposed Format Change

Board Composition and Objectives

Board members are appointed by the Governor. Most terms are between two to four years, and all Board members are subject to a two-term limit.

The Real Estate Board consists of seven industry members and two public members, and serves an important role in helping the Real Estate Agency fulfill its mission. The Board's authority and responsibilities are outlined in statute and rule and include the ability to:

- Waive experience requirements; principal broker applicants may petition the Real Estate Board for a waiver of the three year-experience requirement to obtain the principal broker license. *OAR 863-014-0042(1)*
- Approve continuing education providers; a person not otherwise qualified under OAR 863-020-0020(1)(a) through (h) may petition for Board approval. *OAR 863-020-0025(1).*
- Create or approve a real estate continuing education course for licensees based on recent changes in real estate rule and law (referred to as LARRC). *ORS 696.425(3)*
- Make recommendations to the agency about the manner and methods for conducting examinations. *ORS 696.425(2)*
- Inquire into the needs of the real estate licensees of Oregon, the functions of the Real Estate Agency…confer with and advise the Governor…make recommendations and suggestions of policy to the agency as the board may deem beneficial and proper for the welfare of the licensees and of the public and of the real estate business in Oregon. *ORS 696.425(1)*
- Meet at such times and places as determined by the board, and upon call of the chairperson. *ORS 696.415(1*

Background

Under the prior commissioner's tenure, the Agency implemented the practice of conducting Real Estate Board meetings in various locations throughout the state. The objectives were to increase stakeholder engagement with their Board, and to enable public comments with communities who might otherwise be unable to attend in-person in Salem. This format has been in place for over ten years.

As a way to add additional value and encourage participation, licensees have been given three hours of continuing education credit for attendance. Additionally, the Agency's Regulations Manager often teaches a class immediately following the meeting in which attendees receive an additional three credit hours.

Vision

If Board meetings are held online, the Agency would be able to engage stakeholders and the public from their home or office computers. Moving to an online meeting environment would enable the Agency to reach the widest audience possible. And for anyone who could not attend in real-time online, it would be easier for them to play an online recording directly from a website. Currently, the only option is to request an audio from Agency staff that we would send via email.

Real Estate Board Meeting – Proposed Format Change

While conducting meetings throughout the state has improved the Agency's visibility and reputation, the cost is significant when compared to the number of licensees and public who choose to attend. Attendance varies, ranging from zero to rarely over thirty. When the Agency first began taking the meetings on the road, the options to hold them in a virtual setting were either limited or costly. In the intervening decade, other tools to conduct meetings online have become more affordable and user-friendly - and have been adopted by a number of other Oregon state agencies. What was once rare is now commonplace.

The meetings could also become a more efficient use of board members' and staff time. Since the Agency assures three C.E. hours for attendance, we often need to add agenda content to reach that time. If the meeting was conducted online as expeditiously as possible, offering C.E. would no longer need to be an incentive.

Executive Order

During the 2017 – 2019 biennium, Governor Brown issued an Executive Order to reduce travel expenses, and "*in lieu of nonessential travel, state agencies shall identify opportunities to better use communication technology to develop and strengthen organizational and stakeholder relationships, and to conduct business operations, as a means to maximize savings on travel expenses.*"

This proposal is the first significant step toward meeting the Governor's executive order.

Increase Engagement - Agency Staff and Real Estate Board Members

The Agency places great value in meeting with stakeholders in-person throughout the state, and is proposing to replace a full Board "road show" with more of a focused and interactive format for its in-person engagement efforts. Our objectives are to increase connectedness while simultaneously reducing expenses and our carbon footprint. By moving the Real Estate Board meetings to an online format, we can re-direct those travel funds to more local meetings.

Board meetings are currently scheduled every other month, and that structure has been in place for some time. After migrating to an online format, the Chair could decide more frequent meetings would better serve our stakeholders. For example, monthly meetings would cut the wait times in half for principal broker experience waiver decisions and continuing education provider certifications.

With a meeting format change, a new focus will be for the Commissioner to meet in various locations statewide – such as local Realtor Association meetings and other professional industry events (e.g. real estate diversity partners, property managers, commercial real estate) – and invite Board members' participation. The Agency has benefited from wide geographic representation among its Board members, and we can better leverage that statewide representation. We know that our Board members are passionate about their appointed role and are well-connected and trusted in their respective communities. This partnership with the Commissioner and Real Estate Board members in their local marketplaces will better enable us to serve the Agency's mission.

As an added benefit, when it comes time to recruit new Board members, this new format allows us to reach a more diverse pool of potential candidates. Under the current structure, family commitments, employment arrangements, geography, or income may limit someone's ability to serve on the Real Estate Board. For example, someone who is still building their career could provide valuable perspective on Board matters, but may not be able to take a day or two out of their week to attend meetings around the state.

Costs – current vs. proposed

Current model: Over the past two years (and not including the June, 2019, meeting), the Real Estate Agency has spent $34,616 on Board meetings. These costs include mileage reimbursements, hotels, per diem expense for all management staff and nine Real Estate Board members. Some locations require renting a venue as well. Mileage reimbursement accounts for over half of the expenses at $15,639, which help illustrate the loss of productivity - equating to nearly 30,000 miles driven by staff and Board members.

The Agency has researched a number of options for the Board's consideration, and recommend ***Option A*** on the attached page "Board Meeting Format Option & Costs".

Timing and Deliverables

The Agency could implement an Adobe Connect solution by year-end. This gives sufficient time to develop a calendar for the commissioner, any interested board members, and the appropriate stakeholders.

Once Board meetings are moved to Adobe Connect we can begin the new stakeholder engagement meetings throughout the state. Averaging just two meetings per month with 40 attendees each, we would be reaching in-person nearly 2,000 stakeholders per biennium, increasing our current reach by as much as 400%.

BOARD MEETING FORMAT OPTIONS & COSTS

Goals in Priority Ranking:

1. Reduce costs
2. Improve transparency
3. Optimize stakeholder engagement

Options:

A. **"High Tech"** *Adobe Connect* – fully virtual board meetings. All members, staff and attendees participate from their own location and device.

PROS

- **Reduce cost** by 86% from approximately **34k to 5k** per biennium.
- **Allows engagement** through live broadcast for up to 100 live attendees to participate remotely.
- **Improve transparency** with the recorded meeting being stored on Agency website for unlimited anytime viewing.
- **Facilitate** ongoing board collaboration through web based work group and subcommittee meetings.
- Scaled use with Agency delivered CE and other meetings requiring travel, *potential* investigations with document sharing tools.

CONS

- Relies on virtual environment rather than **face to face** contact.
- Requires comfort with technology and new process buy-in. Agency staff may need to assist in the set up and technical issues experienced by Board Members.

B. **"Mid Tech"** *Granicus* – live streaming and recorded video of in-person board meeting in Salem.

PROS

- **Improve transparency** with the recorded meeting being stored on Agency website for anytime viewing.
- Maintains board member cohesion through continued **face to face** contact.
- Familiarity, as **Granicus** is used by the legislature and many state Agencies for public meetings.

CONS

- **Higher cost** compared to existing process and competing solution, with limited functionality. **6k** initial investment plus ongoing support, hosting and maintenance fees of **50K per biennium**.
- **Limits** board meeting **engagement** by restricting to single location without interactive tool during meetings. **Public commenters** must be present.

C. **"Low Tech"** *Conference Call* – Moderated conference call. All members, staff and attendees participate from their own location and phone.

PROS

- **Reduce cost** by 62% from approximately **34k to 7k** per biennium.
- **Improve transparency** with the audio recorded meeting being stored on Agency website for unlimited anytime listening.
- **Allows** for **remote** **engagement with** participation from public commenters and those with board business.

CONS

- **May limit** board member **interactions**.
- Without well-coordinated external engagement schedule could appear **isolating** of stakeholders.

D. **"No Tech"** – exclusively hold board meetings in Salem without the use of additional technology.

PROS

- **Reduce cost** by >50% from approximately **34k to 16k** per biennium by eliminating staff travel and minimizing board travel costs as most are located within the Willamette Valley.
- Maintains board member cohesion through continued **face to face** contact.

CONS

- **Limits** board meeting **engagement** by restricting to single location without interactive tool during meetings. **Public commenters** must be present.
- Maintains **status quo** of minutes and audio recording available upon request. Lags behind many state Agencies in **transparency**.

AGENDA ITEM NO. VI.A.2.

Michael D. Baker
2801 Old Military Road
Central Point, OR 97502

April 30, 2019

Mr. Steve Strode, Commissioner
Oregon Real Estate Agency
530 Center Street, NE, Suite 100
Salem, OR 97301

Dear Commissioner Strode:

I have been involved in buying, selling, renting and leasing real estate for myself for the past 44 years. I've dealt with multiple brokers, and I even worked as a commercial agent for three years after a rewarding professional career in healthcare.

During my three years working in commercial real estate, what disturbed me most was the resounding lack of respect the general public has for real estate agents. I did not adapt well to that. Many people do not think twice to impose upon agents, speak ill of agents or take advantage of agents. Every so sadly, that disrespect was well deserved.

Why, you ask? In my opinion, the disrespect stems from two specific entities.

One, the lack of education required of agents. In about 2004-2005, if my memory serves me correctly, I spent thirty days reading the required topics, took the real estate test and scored in the 90's. Just thirty days! I do admit that I test well, but I certainly do not look upon myself as intellectually superior to the average agent. As the result of the ease at which a person can obtain a real estate license, retired people, homemakers and those simply wanting to augment their income, turn to real estate—and pile on en masse. I once heard very competent, long-time, commercial, agent say that "You can get a real estate license standing on your head." So true.

The second entity is the dual agency. I spent only three years working as an agent, and one of the main reasons I left was my inability to represent--with a clear conscience--two parties at the same time, both of whom had opposing interests. I still believe that, in so many instances, it simply cannot be done effectively and honorably. Someone, somewhere in any specific transaction is put at a disadvantage in what could be described as an unscrupulous practice. Many times I have personally witnessed agents chasing the commission in lieu of the client's best interest. Wouldn't an attorney be disbarred by representing two clients on the same transaction? Why then are real estate agents allowed to do so? In order to determine why, could it be that we only need to follow the money?

So many folks in the real estate business attempt to achieve "professional" status by dressing well, driving the right model BMW and attending Rotary. I certainly don't disparage anyone from any of these, because I dress well, I drive a nice car and I attend Rotary. However, that is the not the way to achieve professional status.

So what can be done to achieve a true profession status? In my opinion, the first is to redesign the education requirements. Is there any college or university that offers a bachelor's degree in real estate whereby a graduate could immediately step into the business with all of the credentials currently offered post-licensure, such as a CCIM, to name one?

The second is to eliminate dual agency. Like attorneys, one transaction, one client.

So what prompted this letter? I am currently involved in leasing some commercial space. I listed the space with two Realtors who are working together. One of the agents came to me with an offer. I forgot that he was representing the lessee and it put me into a precarious situation for a time. Did either agent do anything wrong? Absolutely not, as both agents did everything correctly and lawfully. Therein is the problem—the law. It should be changed.

I pity the person or persons who attempts to fight the battle to change the law, because they would be interfering with people's pocketbooks. After all, what other reason is there for dual agency but to enhance the financial concerns of the Realtor? Could it be that I am not seeing this issue correctly?

This letter is the extent of my concerns and involvement. I have no ax to grind, and I have no issue with anyone. You will not hear from me again on this topic. I would simply like to see the real estate business expunge its two black eyes and elevate to a higher status. Please look upon this letter as constructive criticism, and perhaps give the two suggestions some consideration. Could sharing this letter with board members be the first step?

Thank you for taking the time to read my concerns.

Sincerely,

Michael D. Baker

AGENDA ITEM NO. VI.B.1.

REAL ESTATE BOARD
REGULATION DIVISION REPORT
June 3, 2019

Regulation Division Manager: Selina Barnes
Compliance Specialists 3 (Compliance Coordinator): Deanna Hewitt, Rob Pierce
Financial Investigators (Investigator-Auditor): Jeremy Brooks, Aaron Grimes, Liz Hayes, Philip Johnson, Meghan Lewis, Lisa Montellano, Lindsey Nunes
Compliance Specialist 2: Carolyn Kalb
Compliance Specialists 1: Denise Lewis, Vacant
Administrative Specialist: Vacant

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: clients' trust accounts (CTA) mail-in reviews, expired activity investigations, and background check investigations. They also respond to inquiries regarding regulations and filing complaints from the public, licensees, and other governmental agencies.

Workload and Activity Indicators

Average # in this Status at the time	2014	2015	2016	2017	2018	Current 5/15/19
Complaint	40	44	33	25	20	18
Pending Assignment	3	4	24	16	26	39
Investigation	47	52	49	50	38	45
PENDING & INVESTIGATION	**50**	**56**	**73**	**66**	**64**	**84**
(# of Investigators)	*6*	*7*	*7*	*7*	*7**	*7**
Admin Review	27	33	28	40	35	45

* *One investigator on medical leave.*

"ATTENTION: Violation Prevention" Presentations
In 2018, Selina Barnes gave this presentation eight times to a total of 324 attendees (for an average of 41 attendees per presentation). So far in 2019, Selina has presented three times to a total of 170 attendees (for an average of 57 attendees per presentation).

Compliance Specialist Sue Davenhill's retirement was effective May 1, 2019.

Administrative Actions Summary
3/19/2019 through 5/21/2019
(Corresponding orders are attached.)

Revocations

Halvorson, John Olaf, Principal Broker 200701035 (lapsed), Final Order on Remand dated April 16, 2019, issuing a revocation.

Suspensions

Fox, Christopher Robert, Principal Broker 860800102, Final Order on Remand dated April 25, 2019, issuing a one year suspension, beginning June 1, 2019 through May 31, 2020.

Reprimands

Wrege, Michelle Patricia, Property Manager 200010141, Stipulated Final Order issuing a reprimand with education.

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

Warner, Keri L (Elmira) Broker 201216945, Stipulated Order dated March 20, 2019, levying a $100.00 civil penalty for unlicensed activity.

BEFORE THE
REAL ESTATE AGENCY
STATE OF OREGON

IN THE MATTER OF: **JOHN O. HALVORSON, Licensee**	) **FINAL ORDER ON REMAND**)) OAH Case No. 2018-ABC-02052) Agency Case No. 2013-90

This matter came before the Real Estate Agency to consider the Amended Proposed Order on Remand issued by Administrative Law Judge (ALJ) Alison Greene Webster on March 20, 2019. No exceptions were filed to the Amended Proposed Order on Remand.

After considering the records and the file herein, the Agency adopts the attached and incorporated Amended Proposed Order on Remand as the Final Order.

IT IS HEREBY ORDERED that Halvorson's principal broker license is revoked.

Dated this 16th day of April 2019.

Steven Strode
Real Estate Commissioner

Date of Service: 4/16/19

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:	)	**AMENDED[1] PROPOSED ORDER**
	)	**ON REMAND**
	)	
JOHN O. HALVORSON	)	OAH Case No. 2018-ABC-02052
	)	Agency Case No. 2013-90
	)	

HISTORY OF THE CASE

On October 2, 2014, the Real Estate Agency (REA or Agency) issued a Notice of Intent to Revoke to John O. Halvorson (Licensee). Licensee timely requested a hearing. On April 27, 2015, the Agency issued an Amended Notice of Intent to Revoke, alleging violations of ORS 696.301(6), (7), and (14).

On August 5, 2015, the Agency issued a Final Order revoking Licensee's real estate license. The Agency's Final Order adopted a Proposed Order issued by Senior Administrative Law Judge (ALJ) Alison Greene Webster granting summary determination in the Agency's favor, and finding, among other things, that Licensee violated ORS 696.301(6), (7), and (14). Licensee timely appealed the Agency's Final Order.

On March 14, 2018, the Oregon Court of Appeals issued its decision *Halvorson v. Real Estate Agency,* 290 Or App 756 (2018), reversing and remanding the Agency's August 5, 2015 Final Order. The Court of Appeals found there were disputed issues of fact material to whether Licensee violated ORS 696.301(6) and (7). On May 7, 2018, the Court of Appeals issued its Appellate Judgment reversing and remanding the case to the Agency.

On July 16, 2018, the Agency referred the hearing on remand to the Office of Administrative Hearings (OAH). The OAH assigned ALJ Webster to preside at the hearing on remand.

On September 12, 2018, the Agency issued a Second Amended Notice of Intent to Revoke Licensee's license. The Second Amended Notice proposed revocation based on a single violation of ORS 696.301(14) (2011 edition).

On December 13, 2018, ALJ Webster convened a prehearing conference. Senior Assistant Attorney General (AAG) Raul Ramirez appeared for the Agency. Licensee participated without counsel. Licensee requested to postpone or continue the hearing on remand

[1] The amendment is to correct Licensee's mailing address on the certificate of service. No substantive changes to the proposed order on remand have been made.".

for 90 days pending determinations in federal and bankruptcy court proceedings involving Licensee. Licensee's request for a 90 day continuance was denied based on the limited scope of the hearing on remand. The remand hearing was set for February 21, 2019.

On February 6, 2019, Licensee renewed his request to postpone the remand hearing, asserting he needed additional time to obtain counsel to represent him at the remand hearing. The Agency objected to any postponement. The ALJ denied the postponement request finding that Licensee had not shown good cause to postpone the hearing.

On February 20, 2019, Licensee again asked to postpone the remand hearing until such time that he could afford to retain counsel. Licensee also asserted he could not afford to travel to Salem for the hearing. The Agency objected to postponement of the hearing. The ALJ offered Licensee the opportunity to appear for the remand hearing via telephone. Licensee declined to participate via telephone, stating he did not wish to appear without counsel.

ALJ Webster convened the remand hearing at 9:30 a.m. on February 21, 2019, in Salem, Oregon. The Agency was represented by AAG Ramirez. Licensee Halvorson did not appear for the hearing and was declared in default.

The Agency opted to put on testimony in addition to its designated file in this matter. Selina Barnes, Agency Regulation Division Manager, testified on the Agency's behalf. The record closed on February 21, 2019 at the conclusion of the remand hearing.

ISSUE

Whether the Agency may revoke Licensee's license based upon Licensee's violation of ORS 696.301(14)(2011).[2]

EVIDENTIARY RULING

Agency Exhibits A1 through A32 were admitted into the record.[3]

FINDINGS OF FACT[4]

1. From April 23, 2007 through March 29, 2013, Licensee held an active license to

[2] ORS 696.301(14) (2011) authorizes the Agency to suspend or revoke the real estate license of any licensee who has "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."

[3] Exhibits A1 through A24 were previously admitted in connection with the Agency's Motion for Summary Determination and were part of the record on appeal. Exhibits A25 through A30, prior Agency Final Orders in which the Agency ordered revocation of licensees' real estate licenses for violating ORS 696.301(14), were admitted in support of the Agency's prima facie case on remand.

[4] Finding nos. 1 through 7 herein are based on facts previously adjudicated in the Agency's August 5, 2015 Final Order.

conduct real estate activity in Oregon. Licensee did not renew his license, and the license expired on March 31, 2013. (Exs. A1 and A2.)

2. In 2005, Licensee married Grace Baek. (Ex. 7 at 3; Ex. 11 at 2.) The marriage included a prenuptial agreement in which, among other things, Licensee agreed that he would have no claim, based on the marriage, in various companies that served as investment vehicles for the Baek family (referred to herein as the Baek LLCs).[5] (Ex. A23 at 2.)

3. Licensee's marriage to Grace Baek later failed and divorce papers were filed in November 2012. (Ex. A23 at 2.)

4. In 2013, Licensee became embroiled in other litigation with his ex-wife and ex-brother in law. The litigation arose out of Licensee's alleged ownership interest in the Baek family companies, Licensee's entitlement to a real estate commission on the sale of property owned by a Baek LLC and other matters. Licensee's lawsuits against Grace Baek, Richard Baek and the Baek LLCs, and the Baeks' and Baek LLCs' actions against Licensee, were consolidated into one matter in Multnomah County Circuit Court, Case No. 1309-12855. (Exs. A23 and A24.)

5. In the course of discovery in the consolidated circuit court cases, Licensee provided a document to the other parties purporting to be a 2008 amendment to his and Ms. Baek's prenuptial agreement. Among other things, this document indicated that Licensee had community interest in the Baek family properties. The opposing parties were unfamiliar with this amendment and believed that Licensee had fabricated it. When confronted about the document at his deposition, Licensee defended it and denied that he created it. He swore to its validity and asserted that it established his claims to an ownership interest in the Baek companies. Subsequently, in an errata sheet to his deposition, Licensee acknowledged that his answers to questions regarding the amended prenuptial agreement were false. He also admitted creating the forged document. (Ex. A23 at 3-4; Ex. A22.)

6. In an Opinion and Order issued in the consolidated Multnomah County Circuit Court cases on June 25, 2014, Judge Edward J. Jones found as follows:

> The court finds, beyond a reasonable doubt, that Mr. Halvorson intentionally, and in bad faith, forged the amended prenuptial agreement in an effort to gain unfair advantage in his litigation with the Baeks and their companies. The court further concludes Mr. Halvorson's forgery did inflict damage on the truth seeking process, was prejudicial to other parties, and did undermine the administration of justice.

(Ex. A23 at 5.)

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[5] In 2004 and 2005, Grace Baek and her brother Richard Baek formed two limited liability companies to hold real estate. The Baek siblings were the only members of the Baek LLCs when the companies were formed. Each held a 50 percent interest. (Exs. A4 and A5.)

7. In a General Judgment of Contempt issued February 9, 2015 in the consolidated cases Judge Jones found, in part, as follows:

> 1. Halvorson willfully and maliciously disobeyed the Court's authority or processes in contempt of this Court by deliberately and intentionally falsifying evidence in discovery and repeatedly and knowingly committing perjury about his role in producing false evidence, and that Halvorson intentionally and knowingly did so for personal gain and to deceive the parties and this Court, and his disobedience has been proven beyond a reasonable doubt.
>
> 2. Halvorson committed fraud on the Court and the parties by knowingly falsifying evidence in discovery and repeatedly committing perjury about his role in producing the false evidence.
>
> 3. Halvorson's contempt of and fraud upon the Court has inflicted serious damage to the truth seeking process and has severely prejudiced and injured other parties and the administration of justice in these consolidated proceedings.
>
> 4. At the time of the falsification of evidence and perjury, Halvorson knew that such conduct was wrongful, without cause, and would prejudice and cause injury to the other parties and the administration of justice.

(Ex. A24 at 4.) As a sanction for Licensee's willful and malicious misconduct and his knowing and deliberate fraud on the court and parties, Judge Jones ordered all of Licensee's claims, counter claims and third party claims dismissed with prejudice. The court further ordered Licensee to pay all other parties all reasonable attorney fees incurred by the other parties as a result of Licensee's willful and malicious misconduct and knowing and deliberate fraud. (*Id.* at 5.)

8. Pursuant to ORS 696.301(14) (2011), the Agency is entitled to discipline a licensee who commits an act of fraud or who engages in dishonest conduct substantially related to the licensee's fitness to conduct reals estate activity without regard to whether the act or conduct occurred in the course of professional real estate activity. The Agency has an established record of revoking the real estate licenses of licensees who have been found to have engaged in dishonest or fraudulent conduct. (Exs. A25 to A32.) Although the Agency is required to consider progressive discipline when sanctioning a licensee, the Agency considers dishonesty and fraudulent conduct as too serious for lesser sanctions. (*Id.*; test. of Barnes.)

9. In proposing revocation of Licensee's license, the Agency considered that Licensee acted intentionally and in bad faith when he forged a document to gain unfair advantage in litigation. Although Licensee's acts of forgery and perjury occurred in his personal capacity, his egregious conduct is substantially related to his fitness to conduct professional real estate activity, warranting revocation of his real estate license. (Test. of Barnes.)

CONCLUSION OF LAW

The Agency may revoke Licensee's license based upon Licensee's violation of ORS 696.301(14) (2011).

OPINION

Given the procedural posture of this case and the single violation alleged in the Second Amended Notice, the issue on remand is relatively narrow: whether the Agency may revoke Licensee's license based upon his violation of ORS 696.301(14) (2011).[6]

The Agency has the burden of establishing that the proposed sanction is appropriate. 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"); *Dixon v. Board of Nursing*, 291 Or App 207, 2013 (2018) (the standard of proof that generally applies in agency proceedings, including license-related proceedings, is the preponderance of the evidence standard). Even though Licensee defaulted at the remand hearing, the Agency must establish a prima facie case. ORS 183.417(4); OAR 137-003-0670.

As noted above, ORS 696.301(14) (2011) authorizes the Agency to suspend or revoke the real estate license of any licensee who has "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." Pursuant to ORS 696.396(2)(c)(C), the Agency may revoke a real estate license where the material facts establish a violation that "exhibits dishonesty or fraudulent conduct." The Agency has an established record of revoking the real estate licenses of licensees who have been found to have engaged in dishonest or fraudulent conduct.

In this case, as Licensee has conceded, he forged a contractual document and falsely testified about its validity under oath. Licensee's acts of forgery and perjury were found to be willful, malicious, knowing and deliberate. Although Licensee engaged in these egregious acts in his personal, as opposed to professional, capacity, the conduct is nevertheless substantially related to his fitness to conduct professional real estate activity.

As noted in the Agency's August 5, 2015 Final Order, professional real estate activity is a matter of public concern, and is to be conducted with high fiduciary standards. In addition to fiduciary duties to their clients, licensed brokers have an affirmative duty to, among other things, deal honestly and in good faith and disclose known material facts. *See, e.g.,* ORS 696.805, 696.810 and 696.815. Consequently, Licensee's intentional acts of fraud and perjury bear an obvious and substantial relationship to his fitness, or lack thereof, to engage in professional real estate activity. His actions demonstrate the extreme lengths to which he was willing to go to achieve personal financial gain. *See Kerley v. Real Estate Agency,* 337 Or 309 (2004) (holding that a person's prior acts of dishonesty and untrustworthiness relate substantially to his or her

[6] The Court of Appeals' decision specifically noted that Licensee did "not assert that there is a disputed issue of fact with regard to his violation of ORS 696.301(14)." 290 Or App at 765. Licensee's concession of the ORS 696.301(14) violation was also noted in the Agency's August 5, 2015 Final Order at page 13.

fitness and ability to engage in real estate activity and can justify denial or revocation of licensure).

Given the Agency's established record of revoking the real estate licenses of licensees found to have engaged in dishonest and fraudulent conduct, and considering the intentional and bad faith nature of Licensee's acts of forgery and perjury in litigation with his ex-wife and ex-brother in law, revocation of Licensee's Oregon real estate license is warranted for his admitted violation of ORS 696.301(14) (2011).

ORDER

I propose the Real Estate Agency issue the following order:

John O. Halvorson's license to conduct real estate activity in Oregon (currently in lapsed status) is hereby REVOKED.

Alison Greene Webster
Presiding 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 March 20, 2019 I mailed the foregoing **AMENDED PROPOSED ORDER ON REMAND** issued on this date in OAH Case No. 2018-ABC-02052.

By: First Class and Certified Mail

John O Halvorson
PO Box 923
Corna Del Mar CA 92625

By: Electronic Mail

Liz Hayes, Agency Representative
Real Estate Agency
530 Center St NE, Suite 100
Salem OR 97301

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

Lucy M Garcia
Hearing Coordinator

Certificate of Mailing

On April 16, 2019, I mailed the foregoing Final Order issued on this date in OAH Case No. 2018-ABC-02052 and the Agency Case No. 2013-90.

By: First Class Mail

JOHN OLAF HALVORSON
PO Box 923
Corona Del Mar, CA 92625-5923

Office of Administrative Hearings
ALJ Alison Greene Webster
PO Box 14020
Salem OR 97309-4020

Raul Ramierez,
Assistant Attorney General
Department of Justice
1162 Court St. NE
Salem OR 97301-4096

Carolyn Kalb
Hearing Coordinator

BEFORE THE
REAL ESTATE AGENCY
STATE OF OREGON

IN THE MATTER OF:	) OAH Case No.: 1202930
	) Agency Case No.: 2011-492
CHRISTOPHER FOX,	)
	)
Licensee.	) **FINAL ORDER ON REMAND**

This matter came before the Commissioner following the Court of Appeals remand in Case No. A159689. The Court of Appeals remanded the case back to the Real Estate Agency for entry of an order consistent with the court's judgment. The Agency now issues this Final Order on Remand, which imposes a sanction of a one year suspension.

HISTORY OF THE CASE

On July 9, 2012, the Real Estate Agency (Agency) issued a Notice of Intent to Revoke with Notice of Contested Case Rights to Christopher Fox (Licensee). On July 30, 2012, Licensee requested a hearing.

On August 7, 2012, the Agency referred the hearing request to the Office of Administrative Hearings (OAH). Senior Administrative Law Judge (ALJ) Jenifer Rackstraw was assigned to preside at hearing. A hearing was scheduled for October 23 and 24, 2013. The OAH reassigned the matter to Senior ALJ A. Bernadette House.

On September 24, 2012, Michael Gordon, Attorney at Law, notified the OAH that he had been retained by Licensee, and requested a postponement of the hearing date to prepare for the hearing. Mr. Gordon's unopposed motion was granted and the matter was rescheduled.

ALJ House convened a hearing on January 23, 2013 at the Agency's offices in Salem, Oregon. Licensee appeared with counsel, Mr. Gordon, and testified. The Agency was represented by Raul Ramirez, Senior Assistant Attorney General. The Agency also called Michael Donnelly, former manager of the Chatfield Family, LLC, a family trust. Licensee called Peter Bale, Agency investigator, and Grace Burch, real estate broker and former office manager, appearing in person, and T.J. Newby, former real estate broker and Mark Parsons, real estate broker and Licensee's former business associate, appearing by telephone. The record closed at the conclusion of hearing on January 23, 2013.

ISSUES

1. Whether Licensee's failure to reference zoning issues in promotional materials for the sale of 65 acres of property which he owned, located at 22600 Skyline Boulevard, Portland, Oregon (the property), constituted the following violations: knowing or reckless publication of materially misleading or untruthful advertising, and/or fraudulent or dishonest conduct substantially related to the fitness of Licensee to conduct professional real estate activity, in violation of ORS 696.301(4) and (14)(2005 edition); and/or failure to disclose material facts known by Licensee, as a real estate agent, which are not apparent or readily ascertainable to a party in a real estate transaction. ORS 696.805(2)(c) (2005 edition).

2. Whether Licensee's failure to accurately complete the Residential Real Estate Sale Agreement for the property, in two separate statements, constituted 1) fraud and/or dishonest conduct substantially related to his fitness to conduct professional real estate activity (ORS

696.301(14)) (2005 edition) and/or 2) violated the requirement that a seller's agent disclose material facts known by the seller's agent and which are not apparent or readily ascertainable to a party in a real estate transaction. ORS 696.805(2)(c) (2005 edition).

3. Whether Licensee's incorrect answer, indicating there were no zoning violations or nonconforming issues, on the Seller's Property Disclosure Statement related to the property constituted an act of fraud and/or engaging in dishonest conduct substantially related to the fitness of Licensee to conduct professional real estate activity, in violation of (ORS 696.301(14)) (2005 edition), and/or violated the requirement that a seller's agent disclose material facts known by the seller's agent and which are not apparent or readily ascertainable to a party in a real estate transaction. ORS 696.805(2)(c) (2005 edition).

4. Whether Licensee's signature on the July 17, 2006 warranty deed transferring the real property "free of encumbrances," to Skyline View, LLC, when Licensee was aware at that time of a State Land Division violation regarding the property, was an act of fraud and/or dishonest conduct substantially related to the fitness of Licensee to conduct professional real estate activity. ORS 696.301(14) (2005 edition).

5. Whether Licensee's failure to report a March 16, 2010 adverse judgment to the Agency until October 14, 2011, violated ORS 696.301(3) (2009 edition) and OAR 863-015-0175(4) (2009 edition, 1-1-09) which requires that a licensee notify the commissioner of any adverse decision or judgment resulting from any suit, action or arbitration proceeding in which the licensee was named as a party within 20 calendar days of receiving written notification of the adverse decision.

6. If so, whether the violations are grounds for discipline (ORS 696.301), and if so, whether the violations resulted in significant damage or injury, and exhibited dishonest or fraudulent conduct such that Agency's proposed revocation of Licensee's license is appropriate. ORS 696.396(2)(c)(A) and (C).

EVIDENTIARY RULINGS

Exhibits A1 through A24, and A26 through A27, offered by the Real Estate Agency, and Exhibits R1 through R19, offered by Licensee, were admitted into the record without objections.

Licensee objected to Exhibit A25, based on relevancy and the ALJ reserved ruling. Exhibit A25 is a copy of Claimant's Confidential Arbitration Hearing Memorandum. Reviewing the record, Licensee's objection is overruled. Licensee opened the door by introducing evidence regarding Licensee's opinion that the arbitration decision was based on an incomplete record, due in part to Licensee having represented himself until the contested case hearing was held. The Agency is entitled to address the record for the arbitration decision in rebuttal. Exhibit A25 is hereby admitted into evidence.

The parties agreed to an amendment to the Notice, at paragraph 2.5, top of page 4, adding the citation to the relevant ORS be added "Violation," immediately after, as ORS 696.301(3). The pleading in the OAH file was amended by hand, initialed and dated by the ALJ. On the record, the ALJ stated a certain order of marking the pleadings. The Agency's exhibits and submissions included a full copy of the pleading documents. The Agency's pleading record is accepted as the official record and a copy of the hand-amended Notice is included in that set of documents.

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FINDINGS OF FACT

(1) Licensee, a licensed real estate principal broker, owns and operates Estate Builders, Inc. (Estate Builders). Licensee incorporated Estate Builders in 1995. Licensed in real estate in Oregon since 1988, Licensee has also been dually licensed in Washington and Oregon for the past twenty years. (Test. of Licensee.)

(2) Licensee has extensive experience in real estate. His background in real estate began at age 15, working with his father throughout the 1960s and 1970s. Licensee's father was an experienced broker, with one of the largest real estate companies in Corvallis, Oregon. His father's office specialized in decreasing outflow and increasing income on properties. Licensee has also been a presenter for continuing education in the practice of real estate and has received commendations for his work. (Test. of Licensee; Ex. R19.)

(3) Licensee's practice historically has been 90 percent income property. Licensee buys, sells, and manages low income properties, including rentals and mobile home parks, throughout Oregon and Washington. Focusing on the type of property acquired and sold, he does not, as a matter of practice, regularly represent either buyers or sellers. Licensee does not regularly engage in property development as part of his real estate business. (Test. of Licensee; Ex. R19 at 2-3.)

Relevant facts related to the history of the property

(4) In 1965, Merlin F. Radke (Radke) purchased one parcel of property (approximately 82 acres) on Skyline Boulevard, and a second parcel (approximately 65 acres) with boundaries contiguous to the first, consisting of two tax lots, in 1966. A house had existed on the second parcel of property, known as 22600 NW Skyline Boulevard (the property), since at least 1942. (Test. of Licensee; Ex R14.)

(5) In 1967, Radke built a new house on a portion of the property, approximately 100 feet away from the original home-site. In addition to the new house, over time, Radke added other structures to the property, including, a storage/shop building of about 1000 square feet and six other storage units, all built by Radke. In 1971, Radke added substantial improvements to the house. (Test. of Licensee.)

(6) In 1981, Radke and Publishers Paper Company completed a property exchange agreement and a cutting boundary agreement involving two parcels of land with contiguous boundaries between the parties. One part, approximately 17.92 acres, of Radke's property on the downhill side away from Skyline Boulevard, was steep and forested. Publishers Paper owned approximately 19.36 acres of property with a boundary to Radke's parcel and with frontage on Skyline. The Publishers' parcel was relatively flat. (Test. of Licensee; Exs. R1, R2.)

(7) The parties executed the property exchange agreement on May 22, 1981, exchanging Radke's 17.92 acres for Publishers Paper's 19.36 acres. (Test. of Licensee; Ex. R1.) In July 1981, Pioneer National Title Insurance issued an original warranty deed by which Publishers conveyed the real property described in the attached report to Merlin F. Radke and a copy of a warranty deed by which Radke conveyed to Publishers the real property as described in the referenced reports as amended and subject to the noted exceptions. Pioneer issued an owner's title insurance policy in the amount of $45,000 to insure Publisher's fee simple title to the real property and easements free and clear of all liens and encumbrances to Radke. The consideration for the transfer of title to the property was an equal value exchange of property. (Ex. R1.)

(8) The parties later executed a Cutting Boundary Agreement, which was recorded with

Multnomah County Circuit Court on December 31, 1981. (Ex. R2.) Within 6 months, Publishers harvested 500 acres of its property which included the 17 acre parcel from Radke. (Test. of Licensee.)

(9) Multnomah changed the zoning for the 65 acres by map in 1980. The County confirmed the change by rule in 1982, when the minimum acreage necessary for residential use was increased to a minimum of 80 acres. The property, as of 1982, was not large enough for a new residential use. (Test. of Licensee.)

(10) In September 2004, Licensee purchased the 65 acre parcel of property from Radke. The property is located on Skyline Boulevard, at an altitude of approximately 1400 ft. to 1600 ft. elevation. Fifty to sixty percent of the property is flat and the location provides views of the Cascades and the Columbia River. Licensee bought the 65 acres, which included land recorded under three separate tax lots, in a single transaction. (Test. of Licensee.)

(11) At the time Licensee purchased it, the property was zoned CFU 1 (commercial forest use). CFU 1 designates land as a protected natural resource area for future generations. Property so zoned is intended for use in increasing timber harvest within the zoning and to decrease residential use within the zoned area. (Test. of Licensee.)

(12) Licensee did not own the timber rights to the property he purchased from Radke. Approximately two months after Licensee bought the property, the owner of the timber rights harvested the timber. The timber harvest revealed that Radke had disposed of 60 to 70 % more waste on the property than was readily apparent prior to the harvest. The additional waste included 30-to-40 55-gallon barrels of oil or solvents, 30 cars, and materials from 30 years of dumped waste from apartments and ruined buildings. (Test. of Licensee.)

(13) When Licensee purchased the property in 2004, the house did not meet current plumbing and electrical requirements. Radke's improvements had not been permitted and were non-compliant. Licensee knew that a new residence could not be built on the property due to the zoning. Licensee intended to bring the existing house up to code for his personal use under the zoning in effect at that time. Licensee intended to make improvements through a program offered by the City of Portland (the City) acting on behalf of Multnomah County. The program was called the "Get Legal" program. (Test. of Licensee.)

(14) In the Get Legal program, the City assisted owners of property located in rural areas of Multnomah County to bring unpermitted, not-to-code improvements up to current code requirements. The City's engineering, electrical, and plumbing departments worked with program participants to bring existing non-conforming buildings into compliance. (Test. of Licensee.)

(15) After purchasing the property, Licensee began the initial work to bring the house up to code and to clean up the property. He hired several individuals for the work, including an acquaintance, Gordon Linch, (spelling not provided). Through Linch, Licensee met Ernie Casella. (Test. of License.)

(16) In December 2004, after Publisher's logged the parcel it had acquired, a major windstorm caused additional significant damage to the property. Licensee contracted with Casella to repair the additional damage to the house and other structures. (Test. of Licensee.)

(17) Casella also represented himself to be knowledgeable on resolving zoning and permitting issues. Casella told Licensee that he had successful experience as an arbitrator between the City, the County and homeowners in similar land use issues. Licensee researched Casella's reputation in the community. Casella had worked on projects in the Pearl District and

other areas, and had a reputation for being thorough and professional in his business dealings. (Test. of Licensee.)

(18) Licensee determined that Casella had the skills and knowledge to resolve the issues with the property. Licensee hired Casella, and over time, spent approximately $80,000 to work on resolving the permitting and land use problems with the property. (Test. of Licensee.)

(19) On March 8, 2005, Licensee wrote Casella a letter outlining the issues with the property. In Licensee's letter to Casella, he outlined the history and the issues involving the property. Licensee intended the letter to disclose everything he knew about the property. In particular, Licensee wanted Casella to investigate the possibility that the third tax lot, that had been created by the timber company in 1981, could be split off, and sold. Licensee wanted to use the proceeds to keep the remaining acreage and finish the work on the house. (Test. of Licensee; Ex. R6.)

(20) In paragraph 5 of the March 8th letter, Licensee set out the details of the 1981 property exchange between Radke and Publishers, which created the 19-acre parcel (the third tax lot) that he was hoping to sell off. At the time he wrote the letter, Licensee knew that the County had red-flagged the property because it determined that the 1981 property exchange between Radke and Publishers created an illegal lot smaller than the minimum 80 acres required for residential development. (Test. of Licensee; Ex. R6 at 2.) Licensee believed he could work with the County to resolve the problem by offering to merge the third tax lot back with the adjacent original two tax lots, one made up of 37 acres (where the shop was located) and the other with 26.7 acres (where the house was located) to recreate the original larger parcel. Licensee outlined other proposals he believed might be ways to resolve the zoning so some portion of the parcel might be sold and/or the existing structure could be brought up to current building codes. (Test. of Licensee; Ex. R6.)

(21) At approximately the same time as the March 8, 2005 letter, Licensee also sent Casella a document from the Multnomah County Land Use Division which provided information on how an owner of CFU property could get approval for a template dwelling through County processes. Licensee believed the property met the minimum requirements for approval through the template process at the time he told Casella about the process. Licensee provided the information to Casella so that Casella could pursue getting the County's approval for the non-conforming use. (Test. of Licensee; Ex. R13.)

(22) Licensee knew the County had assessed taxes on Radke's improvements and had issued permits for electrical meters while Radke owned the property. The County assessed taxes for July 1, 2004 to June 30, 2005 on the parcel with the market values for the land at $160,430 and the structure at $59,600. He believed those actions by the County supported his seeking approval for the nonconforming use. (Test. of Licensee; Ex. A5.)

(23) Throughout the time Licensee owned the property, while he was selling the property, and continuing through the time of the contested case hearing, Licensee believed there were policies and land-use exceptions that would apply to legalize the zoning violations created by the 1981 tax lot division and Radke's improvements to the house on the property. Licensee's belief was based, in part, on the following: research on the applicable land use laws; discussions with County and City employees who worked with zoning and compliance issues in land use; and comparable lots in the area that had been granted exceptions under the County's process. (Test. of Licensee; Exs. A24, R4.)

(24) Licensee exhausted his available funds to clean up the property. He was unable to complete all planned upgrades to the existing house. Licensee decided to sell the property. Acting under his principal broker's license, License listed the property on the Regional Multiple

Listing Service (RMLS). (Test. of Licensee; Ex. A8 at 4.)[1]

(25) Licensee wrote the RMLS listing for the property and he was the principal broker at that time. Either Licensee or his staff entered the information into the RMLS system for the listing. The listing date was August 10, 2005. (Test. of Licensee; Ex. A9.)

(26) The RMLS listing format includes an area for "Remarks" where a listing broker can add information about the property that would be important for an interested party to know. Licensee's listing for the property did not include any statements addressing the property's zoning history and current "red-flag" status with the County. Licensee knew at the time the property was listed that it had been illegally divided in the 1981 Radke/Publishers Paper property exchange. (Test. of Licensee; Ex. A9.)

(27) Licensee, as an Oregon licensed principal broker, also oversaw the business activities of any real estate agents working under his principal broker's license. As a principal broker, Licensee was responsible for those agents' activities, including working with clients and with MLS listings. Licensee was responsible for the accuracy and fairness of the activities of any agent working under Licensee's principal broker's license, including any omissions or incorrect information included on the listing. (Test. of Licensee.)

(28) Licensee's work during the period of time at issue did not include property development. He did not regularly generate advertising for properties in his work but did list approximately 50 percent of his inventory on the RMLS. (Test. of Licensee.)

(29) Licensee met Mike Donnelly through Brent Maxson, a real estate licensee and Licensee's professional colleague at the time. (Test. of Licensee.) Maxson had met Donnelly in college and they remained friends. Maxson helped Donnelly in the past buy both residential and commercial properties. Maxson knew Casella and his reputation for successful permitting and construction projects. Maxson also knew that Casella worked with Michael Crane as a mortgage broker. Maxson believed Casella and Crane would be a good fit with Donnelly. Maxson introduced Donnelly to Casella and Crane for the purpose of considering a purchase of the property. (Ex. R5 at 1.)

(30) Donnelly, Crane and Casella agreed to buy the property together for $650,000. (Test. of Licensee; Exs. A13, R5 at 1.) Donnelly, Crane, and Casella signed the residential real estate purchase and sale agreement (the offer) for 22600 N.W. Skyline Blvd, Portland, Oregon in their individual capacities. Licensee knew that the three individual buyers intended to form Skyline View LLC, to complete the purchase of the property. (Test. of Licensee; Ex. A13 at 1.)

(31) In the transaction, Maxson acted as the Buyers' agent. (Exs. A13 at 1, R5 at 1.) Casella was the primary party acting for the three buyers. Maxson was aware that Casella had been working on permitting issues for the property. Casella told Maxson that he would solve the permit problems. (Ex. R5 at 1.)

(32) When later interviewed by the Agency's investigator (Bale), Maxson said that at some point he became aware that Casella and Crane might have misused funds belonging to Skyline View, LLC. Maxson knew that Crane controlled the funds for Skyline View, LLC. (Ex. R5 at 2.)

(33) The form of the offer was a standard industry form which was familiar to Licensee as one of those regularly used in the real estate industry. Paragraph 10 on page 2 of the offer is

[1] This finding of fact was rephrased for clarity. No substantive modifications were made

entitled "Seller Representations" and states, in part, the following:

> (7) Seller has no notice from any governmental agency of any violation of law relating to the Property * * * (9) Seller agrees to promptly notify Buyer if, prior to closing, Seller receive actual notice of any event or condition which could result in making previously disclosed material information relating to the Property substantially misleading or incorrect. These representations are based upon Seller's actual knowledge. Seller has made no investigations. Exceptions to items (1) through (9) are: _____. Buyer acknowledges that the above representations are not warranties regarding the condition of the Property and are not a substitute for, nor in lieu of, Buyer's own responsibility to conduct a thorough and complete independent investigation, including the use of professionals, where appropriate, regarding all material matters bearing on the condition of the Property, its value and its suitability for Buyer's intended use[.]

(Ex. A13 at 2.) (Emphasis in original.)

(34) Licensee was aware at the time the offer was signed that Multnomah County had determined the property had been illegally divided in the prior transaction between Radke and Publisher's Paper. Licensee discussed the property and the details of the transaction with Crane and Casella. Donnelly did not participate in those discussions. Licensee's understanding was that Crane and Casella represented Skyline View, LLC, in those discussions. Licensee knew that Casella had knowledge of all of the issues regarding the property based on his original business relationship with Casella. Licensee had no knowledge as to whether Donnelly, as the third member of Skyline View, LLC, was or was not informed by Casella of the issues with the property. (Test. of Licensee.)

(35) Licensee signed a Seller's Property Disclosure Statement regarding the sale of the property on July 7, 2006. He answered the questions on the form, including question "H" under the heading "Title" on page 2 of the agreement. To the question, "Are there any zoning violations or nonconforming uses?" Licensee checked "No." (Test. of Licensee; Ex. A7 at 2.) That answer was incorrect at the time Licensee completed it. Licensee was aware of the zoning violation regarding Multnomah County. Licensee's omission was not intentional. (Test. of Licensee.) Licensee did not complete the portions of the document that were completed by hand. Licensee initialed each page at the bottom in the area set designated for the Seller's signature. (Test. of Licensee; Ex. A7.)

(36) Licensee signed a warranty deed transferring the "real property free of encumbrances" from FOXC, LLC to the buyer Skyline View, LLC, on July 17, 2006. (Test. of Licensee; Ex. A20.) Licensee was aware of the zoning violations when he signed the deed. (Test. of Licensee.)

(37) Licensee had reviewed land-use law while he owned the property and at the time he was trying to sell the property. Licensee believed that the issues with the zoning could be resolved based on his review of land-use statutes and rules at the time he owned the property and at the time he sold the property. (Test. of Licensee; Exs. R8-R13.)

(38) The County has approved development on non-conforming lots that were less than the minimum 80-acres but that were greater than 19 acres. Licensee knew of those exceptions and he believed that was the reason the parties to the 1981 division created the new tax-lot in the size of 19.3 acres. (Test. of License.)

(39) Michael Donnelly is currently retired. Prior to retiring, Donnelly, among other business interests, managed a LLC for his family trust, the Chatfield Family Trust, LLC.

Donnelly, on behalf of the LLC, was looking for property for investment and development purposes. Brent Maxson, a realtor and friend of 25 years, had worked with Donnelly for a long time regarding real estate matters. Maxson brought the listing on the property to Donnelly for consideration. Donnelly was interested. Donnelly and other members of the family trust went to look at the property. (Test. of Donnelly.)

(40) Maxson reviewed the listing of the property with Donnelly, and looked at the property itself. Maxson had been looking for properties with potential for rehabilitation and resale for Donnelly. Donnelly relied upon Maxson's statements about the property when Donnelly told the members of the family LLC about the property. (Test. of Donnelly.)

(41) Donnelly met Licensee at some point and discussed the basics of "the whole deal" including the condition of the house at that time and Licensee's experiences with the property and its history. (Test. of Donnelly.) Donnelly was aware that Casella had performed most of the work as the contractor on the property, and had obtained all of the permits to do the rehabilitation, with the exception of the septic. (*Id.*)

(42) After Donnelly became interested in acquiring the property and forming an LLC, Maxson introduce Donnelly to Crane to assist in securing additional funds. Crane represented himself as having contacts in the financial system. Donnelly, Casella, and Crane decided to form Skyline View LLC. Crane became the managing partner of Skyline View. Crane assured Donnelly that he would be able to acquire additional finances through loans to complete the planned development of the property. (Test. of Donnelly.)

(43) Donnelly did not rely on the RMLS listing written by Licensee when considering the purchase of the property. Donnelly was aware of the extensive history of issues Licensee encountered trying to rehabilitate the house. He was aware of the permitting issues with the City but he did not know about the zoning issue with the County. Donnelly relied on Casella and Crane, as partners in the LLC, to advise him of any problems they encountered, specifically if they had knowledge of any zoning violations. (Test. of Donnelly.)

(44) On January 8, 2006, Donnelly, acting for his family LLC, signed the original offer and earnest money agreement (sale agreement), along with Michael Crane and Ernest Casella. The three purchasers also signed an Addendum to Purchase and Sale Agreement and Receipt for Earnest Money: Addendum A, on the same day. (Test. of Donnelly; Ex. A13 at 6.)

(45) On January 10, 2006, Licensee initialed each page of the purchase agreement including Addendum A, and signed as the Seller. (Ex. A13 at 7.) Licensee did not complete the handwritten portion of the January 10, 2006, Residential Real Estate Sale Agreement but he reviewed, initialed and signed the completed document. (Test. of Licensee; Ex. A13.)

(46) Addendum A included, among other things, an agreement that "all permits shall be issued through E.J. Casella and Associates[,]" "contractor release to E.J. Casella and Associates[,]" and "[p]roperty to be sold "AS IS[.]" (Ex. A14.)

(47) Addendum B, signed by all parties on February 14, 2006, included the statement that "All parties are aware that Purchasers will create an LLC as the purchasing entity." (Ex. A15.)

(48) Addendum C, signed March 27, 2006, included the statement that the new entity buying the property was "Skyline View, LLC." (Ex. A16.)

(49) Addendum D, signed on April 25, 2006, listed Skyline View LLC as the Buyer. A subsequent addendum listed Skyline View, LLC as the Buyer. (Exs. A17-A18.) The City issued

final electrical and plumbing permits. The septic permit took longer and delayed the closing until it was issued. (Test. of Donnelly.)

(50) The Chatfield Family LLC paid the down payment for the purchase price for the property. Neither Casella nor Crane put any money into the property. Donnelly, acting on behalf of the family trust, purchased the property with the intent to complete the current rehabilitation of the existing house, to sell it when rehabilitation was complete, and to possibly keep the 19 acre parcel for the family to develop with a residence for their own use. (Test. of Donnelly.)

(51) The property appraised at $1,250,000 in September of 2006. (Ex. A22 at 12.)

(52) In February 2012, Peter Bale, Agency investigator, conducted an investigation regarding a complaint filed against Licensee regarding his conduct during the sale of the property. As part of the Agency's investigation, Bale received documents from Donnelly regarding the transaction at issue. One of the documents included was an appraisal of the property commissioned by Michael Crane. (Test. of Bale; Ex. R16.)

(53) The appraisal report included with Donnelly's documents was completed by Carla Johnson, on January 28, 2008. Johnson, a licensed Oregon appraiser with Portland Residential Appraisals, Inc., completed an appraisal of the property for the purpose of a refinance of the existing mortgage. The property appraised at $1,600,000. In the portion allocated to consideration of the neighborhood, Johnson wrote, in part, that:

> [The] area is composed of large tracts of timberland. Where zoning allows, homesites have been created in recent years. Development of large custom homes of substantial value has become commonplace."

(Ex. R16 at 2.)

(54) Under the portion entitled "Site," Johnson indicated, among other things, that the area of the site was 65 acres, that the specific zoning was "CFU-commercial forest" and that the zoning description was "80 to 100 acre minimum lot size for new tracts-restrictive." (Ex. R16 at 1.) Johnson checked the box for "Legal Nonconforming (Grandfathered Use), and on the same line, included the following: "legal site – rebuild of home is ok." To the question "[i]s the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use[,]" Johnson wrote: "issue of a building permit will be adequate proof of legality under zoning. CFU zoning is one of the most restrictive in the County." (*Id.*)

(55) Under "Sales Comparison Approach," Johnson indicated that she had researched the sale or transfer history of the subject property and comparable sales. (Ex. R16 at 2.)

(56) Following the appraisal, Skyline View, LLC acquired a construction loan to develop the property, secured by an interest in the property as collateral for the loan. Part of the proceeds from the loan was disbursed to repay the Chatfield Family LLC for the down payment loan and part was used to pay off the purchase price. (Test. of Donnelly.)

(57) At some point after Skyline View, LLC purchased the property and began work on the existing structure, Multnomah County issued a Stop-Work order. Donnelly received a copy and called Crane, who was in charge of the work at that time. Crane told Donnelly he had received the Stop-Work order and that it had been "taken care of." (Test. of Donnelly.)

(58) Following the issuance of the original Stop-Work order, on April 9, 2008, the County sent a letter to Skyline View LLC, c/o Donnelly and to Crane as Managing Partner which

included a Request for Voluntary Compliance. The County had determined that the County's zoning, which prohibited the project, took precedent over the permits issued by the City of Portland under which the City had allowed the rehabilitation work to proceed. The April 9, 2008 letter set out specific actions and deadlines under which the violations might be resolved. (Test. of Donnelly; Ex. A24.)

(59) On February 18, 2010, Michael Donnelly, acting in his capacity as the managing member of Skyline View, LLC, won an arbitration award against Licensee, FOXC, LLC, and Estate Builders, Inc. The arbitration panel found Licensee liable to Donnelly on Donnelly's claim of intentional fraud and awarded Claimant $666,450 in damages. Donnelly has been unable to collect on the damages award. (Test. of Donnelly; Ex. A2 at 7.)[2]

(60) Licensee, individually and in connection with his LLCs, was the party Donnelly first sued regarding the property, and the matter went to mandatory arbitration. Licensee was not represented by an attorney at the time arbitration began. Licensee answered requests for admissions and filed an answer to the initial claim without the advice of counsel. Licensee retained counsel for the arbitration hearing itself. Because Licensee did not have legal counsel throughout the arbitration, in Licensee's opinion, a substantial amount of relevant evidence was not submitted for consideration at the hearing. (Test. of Licensee.)

(61) Licensee talked to Crane about testifying at the arbitration proceeding against Licensee. Crane told Licensee he intended to testify to certain facts when he was called as a witness and that he would appear at the arbitration. Crane did not appear as promised. Crane was reached by telephone. Crane's testimony was different from what Crane told Licensee he was going to say. Crane had not been sued at the time of Licensee's hearing. (Test. of Licensee.)

(62) After receiving the arbitration award against Fox, Donnelly subsequently sued Crane and Casella for fraud involving the purchase of the property. Donnelly obtained a judgment against both. Neither Crane nor Casella has paid any portion of the arbitration awards against them. Sometime in 2010, Donnelly had Crane and Casella removed from partnership in Skyline View, LLC., on the basis of the judgments which found that Crane and Casella had engaged in fraud. Skyline View, LLC is currently in default on the construction loan, jeopardizing the LLC's ownership of the property. (Test. of Donnelly.)

(63) In Bale's investigative report to the Agency, he included notes of a February 1, 2012 interview with Michael Grimmett, with Multnomah County Code Enforcement. Grimmett told Bale that, considering the then-current situation with the zoning and the issues underlying the stop-work order, no development of the land was possible because there was no established use permitting the present residential use. Grimmett also told Bale that there were solutions to the problem and referred Bale to the August 9, 2008 letter from Multnomah County to Crane and Donnelly. (Test. of Bale; Ex. A24.)

(64) At the time of the sale to Donnelly and Skyline View, LLC., Licensee believed that the zoning issues created by Radke's property exchange with Publisher's Paper Company could be resolved. The property exchange occurred in 1981. The property created was in conformance with the county's then existing property specifications and road frontage requirements. The Forest Practices Act, which rendered the 17 acre parcel transferred to Radke a nonconforming use, was enacted in 1984. Under the Act, Licensee understood that counties could no longer engage in boundary and use issues independent of the state's rights and restrictions under the Act. (Test. of Licensee.)

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[2] The Commissioner supplemented this Finding of Fact to reflect Donnelly's testimony on damages,

(65) Licensee and Casella spoke several times prior to the sale. Casella told Licensee that he had had several discussions with individuals at the county. Casella represented to Licensee that the issues could be resolved and that the improvements to the existing house could be legally completed. (Test. of Licensee.)

(66) Licensee researched the law at the time of the sale at issue, including statutes related to minimum lots or parcel sizes. His understanding of the law was that the Forest Practices Act protected the rights of private land owners and their rights to actualize their rights to harvest timber on their properties by working with the timber companies. Licensee believed that any rights accrued to Radke through grandfathered or prior use allowance transferred to Licensee. Licensee believed that it had been legal for Publisher's Paper and Radke to actualize by a transaction that created a parcel larger than 19 acres but smaller than 85 acres under Multnomah County Commercial Forest Use policies as published in 2005. (Test. of Licensee.)

(67) Grace Burch, a real estate principal broker licensed in Washington since 1979, worked for Licensee as an office manager in his Portland office, for over three years beginning in early 2000. Burch completed her Certified Commercial Investment Manager (CCIM) course at the prompting of Licensee. She worked closely with Licensee's property management and business accounts. Based on her work with Licensee, Burch saw no evidence of Licensee having acted in any fraudulent or dishonest conduct in relation to any of his real estate activity. Licensee has a reputation in the real estate community for ethical conduct. (Test. of Burch; Ex. R19 at 1.)

(68) Membership in the CCIM requires that an individual comply with high ethical standards. (Test. of Burch and Gordon.) Qualification for membership includes completion of extensive coursework and international-level review of a candidate's portfolio of activity. Licensee has served as Secretary, Vice-President, President, and Education Chair for the Oregon and Southwest Washington CCIM chapter. The CCIM awarded Licensee multiple "transaction of the year" awards. In his role as Education Chairman, Licensee initiated bringing additional education for members of the CCIM in the Portland area. (Test. of Burch; Ex. R19 at 1.)

(69) Mark Parsons, real estate agent, licensed in Oregon since 1998, has worked with Licensee, beginning when both were licensed associates working for Donahue and Associates, from 1998 until 2000. Parsons then worked under Licensee as his principal broker from 2000 to 2012. He became an Oregon licensed principal broker in April 2012. Parsons opined, based on his experience as a peer and then working under Licensee's supervision, that Licensee is honest and ethical. (Test. of Parsons.)

CONCLUSIONS OF LAW

1. Licensee's failure to disclose the zoning violations in promotional materials for the sale of the property (as alleged in paragraph 2.1 of the Notice), violated ORS 696.301(4) (2005 edition); and ORS 696.805(2)(c) (2005 edition).

2. Licensee's failure to accurately complete the Residential Real Estate Sale Agreement for the property, in two separate statements (as alleged in paragraph 2.2 of the Notice), violated ORS 696.805(2)(c) (2005 edition) because Licensee failed to disclose material facts known by the seller's agent and which are not apparent or readily ascertainable to a party in a real estate transaction.

3. Licensee's incorrect answer, indicating there were no zoning violations or nonconforming issues, on the Seller's Property Disclosure Statement related to the property (as alleged in paragraph 2.3 of the Notice) violated ORS 696.805(2)(c) (2005 edition) because

Licensee failed to disclose material facts known by the seller's agent and which are not apparent or readily ascertainable to a party in a real estate transaction.

4. Licensee's signature on the July 17, 2006 warranty deed transferring the real property "free of encumbrances," to Skyline View, LLC, when Licensee was aware at that time of a State Land Division violation regarding the property (as alleged in paragraph 2.4 of the Notice), did not violate ORS 696.301(14) as determined by the Court of Appeals..

5. Licensee's failure to report a March 16, 2010 adverse judgment to the Agency until October 14, 2011, violated OAR 863-015-0175(4) (2009 edition) because licensee did not notify the commissioner of any adverse decision or judgment resulting from any suit, action or arbitration proceeding in which the licensee was named as a party within 20 calendar days of receiving written notification of the adverse decision.

6. The above violations are grounds for discipline.

OPINION

The Agency proposes to revoke Licensee's real estate principal broker license based on the violations alleged in the Notice, paragraphs numbered 2.1 through 2.5. Regarding the alleged violations and the appropriate sanction, the burden of proof falls upon the Agency as the proponent of a fact or position. ORS 183.450(2). *Harris v. SAIF,* 292 Or 683 (1982) (general rule regarding allocation of proof is that burden is on the proponent of the fact or position); *Gallant v. Board of Medical Examiners,* 159 Or App 175 (1999) (in the absence of legislation adopting a different standard, the standard of proof in an administrative hearing is by a preponderance of the evidence). Proof by a preponderance of evidence means that the fact finder is persuaded that the facts asserted are more likely true than false. *Riley Hill General Contractors v. Tandy Corp.,* 303 Or 390 (1989).

Authority of the Agency to Act

Licensee holds a real estate principal broker's license, issued by the Agency, authorizing him to conduct professional real estate activity in Oregon. The Agency proposes to revoke Licensee's real estate principal broker's license as a disciplinary action for the violations alleged in the Notice of Intent to Revoke.

Statutes and Rules Governing the Conduct of Real Estate Licensees Relevant to Licensee's Conduct

Former ORS 696.301[3] provides grounds for disciplinary action by the Real Estate Commissioner for real estate licensees. In pertinent part, ORS 696.301 provides:

> 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:
>
> * * * * *

[3] All references to the Oregon Revised Statutes (2005 edition) and to the Oregon Administrative Rules are to those in effect at the time of the alleged conduct. Counsel for the Agency provided a copy of OAR 863-027-0020, entitled "Progressive Discipline of Licensees," certified effective date of January 1, 2009, which is the source of the rule relied upon in this decision.

(3) Disregarded or violated any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785 and 696.800 to 696.870 or any rule of the Real Estate Agency.

(4) Knowingly or recklessly published materially misleading or untruthful advertising.

* * * * *

(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.

Additionally, a seller's agent has an affirmative duty to disclose the zoning issues and land-division violation to the parties pursuant to ORS 696.805. ORS 696.805, governing the conduct of a real estate licensee acting as a seller's agent, provides in relevant part that:

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

* * * * *

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

The Real Estate Commissioner is charged with promulgating rules providing for the progressive discipline of real estate licensees and to provide for an objective method for the investigation of complaints alleging grounds for discipline under ORS 696.301. ORS 696.396. OAR 863-027-0020 (renumbered from OAR 863-015-0230, ef. 1-1-09) is the Agency rule addressing progressive discipline of real estate licensees. OAR 863-027-0020 states, in relevant part, that:

(1) The goal of progressive discipline is to correct a licensee's inappropriate behavior, deter the licensee from repeating the conduct, and educate the licensee to improve compliance with applicable statutes and rules. Progressive discipline means the process the agency follows, which may include using increasingly severe steps or measures against a licensee when a licensee fails to correct inappropriate behavior or exhibits subsequent instances of inappropriate behavior.

(2) The commissioner will evaluate all relevant factors to determine whether to issue a non-disciplinary educational letter of advice or to discipline a licensee through reprimand, suspension or revocation under ORS 696.301, including but not limited to:

(a) The nature of the violation;
(b) The harm caused, if any;
(c) Whether the conduct was inadvertent or intentional;
(d) The licensee's experience and education;
(e) Whether the licensee's conduct is substantially similar to conduct or an act for which the licensee was disciplined previously;
(f) Any mitigating or aggravating circumstances;
(g) The licensee's cooperation with the investigation;

(h) Any agency hearing orders addressing similar circumstances; and
(i) The licensee's volume of transactions.

* * * * *

(4) A reprimand is the maximum disciplinary action the commissioner may issue against a licensee if the licensee has committed an act or conduct that constitutes grounds for discipline under ORS 696.301 and such act or conduct does not:

(a) Result in significant damage or injury;
(b) Exhibit incompetence in the performance of professional real estate activity;
(c) Exhibit dishonesty or fraudulent conduct; or
(d) Repeat conduct or an act that is substantially similar to conduct or an act for which the real estate licensee was disciplined previously.

(5) The commissioner may impose suspension or revocation only if the licensee has committed an act that constitutes grounds for discipline under ORS 696.301 and such act also meets the requirements of 696.396(2)(c).

Violations and analysis of penalty factors in order

Violations alleged in paragraph 2.1 of the Notice

The Agency alleged that Licensee created promotional materials for the property which failed to reference known zoning problems and the land-division violation, that Licensee provided those materials to Donnelly, and that Donnelly relied upon those documents relevant to his decision to make an offer on, and to purchase, the property. The Agency met its burden on the first allegation. Licensee generated, or was responsible for the generation of, the published listing documents, including the property description and the RMLS listing. The documents, as set out in the findings of fact, did not alert potential buyers of the then-current zoning history, including the land-division violation and its potential impact on the property, in those locations in the documents where it is reasonable to expect such issues to be addressed, in violation of ORS 696.805(2)(c).

In ORS 696.301, the legislature did not define the terms "reckless," "fraud" or "dishonest." In the context of use by the Agency, there is no indication that those terms are terms of art. Therefore, they are to be given their plain, natural, and ordinary meaning. *PGE v. Bureau of Labor and Industries,* 317 Or 606, 611 (1993). The ordinary meaning is presumably what is reflected in a dictionary. *Massee and Massee*, 328 Or 195 202 (1999). According to *Webster's Third New International Dictionary*, "knowing" is defined as "having or reflecting knowledge, information, or insight: marked by understanding and intelligence[.]" *Webster's Third New Int'l Dictionary*, 1252 (unabridged ed 2002). The evidence at hearing was that Licensee had knowledge of the violations prior to marketing the property for sale. Licensee therefore violated ORS 696.301(4) because he knowingly published materially misleading advertising in the form of the listing documents and promotional materials that he created to market the property.

While it is sufficient for the Commissioner to establish that Licensee's publication of the materially misleading advertising was *knowing* in order to impose discipline, the Commissioner also finds that Licensee's publication of the materially misleading information was reckless and therefore rejects the ALJ's opinion that it was not. Reckless conduct requires that one acts in a manner "lacking in caution: deliberately courting danger," or "marked by a lack of foresight or consideration[.]" *Webster's* at 1896.

Licensee has substantial experience over many years engaging in professional real estate activity. Licensee invested considerable resources on the property, including trying to remedy the zoning violations before he decided to market the property. Licensee was aware that the nature of the zoning violations restricted a person's ability to remodel or build a residence on the property. Given Licensee's experience and his knowledge of the nature and extent of the zoning violations, it is not credible that Licensee's failure to disclose the zoning violations was a simple oversight. It is not a defense to state that Cassella (as one of the buyers) was aware of the zoning violations because Licensee has an independent duty to not publish materially misleading information. Moreover, at the time that the parties entered into the sale agreement, each of the buyers was acting in an individual capacity. It was not until later in the transaction that the buyers formed an LLC and agreed that the LLC would be the purchaser. Also, at the time that Licensee listed the property on the MLS, no other prospective buyer would have been aware of the zoning violations. Under these circumstances, Licensee's conduct was reckless.

On appeal, the Court of Appeals was not persuaded that Licensee's conduct as described above demonstrated an intent to mislead. Consistent with the Court's opinion, the Agency does not find that Licensee violated ORS 696.301(14)(2005).

The Agency also alleged that Licensee's publication of the listing materials without reference to the zoning or land-division issues violated the duties required of a real estate agent under ORS 696.805(2). In the current matter, Licensee, acting as his own agent, was required to comply with the affirmative duties set out in ORS 696.805(2)(c). Licensee did not meet that obligation. Licensee admitted that he did not include known information regarding the zoning issues and the land-division violation.

Violations alleged in paragraph 2.2 of the Notice

On the January 10, 2006 Residential Real Estate Sales Agreement, Licensee, as the seller, represented that he had no notice from any governmental agency of any violation of law relating to the property. Licensee did not complete the handwritten portions of the January 2006 agreement but he did initial each page and he signed the agreement. Licensee, as a principal broker, was responsible for any agent working under his license. Licensee knew at the time he signed the Agreement that Multnomah County considered the land-division which occurred in 1981 illegal. Licensee's misrepresentation was a violation of his affirmative obligation, under ORS 696.805(2)(c), to disclose material facts of which he was aware and which were not readily apparent or readily ascertainable to a party in a real estate transaction.

On appeal, the Court of Appeals was not persuaded that Licensee's conduct as described above demonstrated an intent to mislead. Consistent with the Court's opinion, the Agency does not find that Licensee violated ORS 696.301(14)(2005).

Violations alleged in paragraph 2.3 of the Notice

Regarding the Seller's property disclosure statement, Licensee did, as alleged, mark "no" in answer to the question "[a]re there any zoning violations or nonconforming issues." That answer was not true. The ALJ concluded, however, that Licensee's false answer did not rise to the level of dishonesty or fraud because (1) Cassella was aware of the zoning violations; (2) Licensee relied on Cassella's knowledge of the problems; and (3) Licensee believed that Cassella would inform the other buyers of the zoning violations.

The purpose of the Seller's Property Disclosure Statement is to *disclose* any potential defects with a property being conveyed, whether or not a seller has any reason to believe that a buyer is aware of a particular defect. Here, there is no dispute that Licensee was the seller and that he was aware of the zoning violations. Licensee initialed and signed the form, and

acknowledging that the disclosures are based on 'SELLER'S ACTUAL KNOWLEDGE'. The Court of Appeals concluded that on these facts, Licensee had not engaged in an act of dishonesty in violation of ORS 696.301(14). Consistent with the Court's opinion, the Commissioner does not find a violation of ORS 696.301(14)(2005). .

As previously discussed, the zoning violations were material facts that were not readily ascertainable. Consequently, the Commissioner finds that by falsely answering this question on the Seller's Property Disclosure Statement, Licensee violated ORS 696.805(2)(c) (2005 edition)

Violations alleged in paragraph 2.4 of the Notice

As alleged by the Agency, Licensee signed the July 17, 2006 warranty deed transferring the "real property freed of encumbrances," to Skyline View LLC, knowing at that time of the land-division violation. The ALJ concluded that License's false representation also did not rise to the level of dishonesty because she opined that Licensee held an honest belief that (1) the buyer knew of the violations and (2) Licensee believed the zoning violations would be remedied. As stated before, Licensee's beliefs about what may happen in the future do not relieve him from the responsibility not to provide false answers or omit material facts on real estate documents. Here, it is also undisputed that Licensee was aware of the zoning violations and misrepresented the absences of any encumbrances by signing the warranty deed as shown in Exhibit A20. Nevertheless, the Court of Appeals determined that Licensee had not violated ORS 696.301(14). Consistent with the Court's opinion, the Commissioner finds that Licensee did not violate ORS 696.301(14)(2005 edition)

Violation alleged in paragraph 2.5 of the Notice Failure to timely report

Failure to comply with the Agency's rules constitutes grounds for disciplinary action against a licensee. ORS 696.301(3). OAR 863-015-0175(4) (2009 edition) required that a licensee notify the commissioner of any adverse decision or judgment resulting from any suit, action or arbitration proceeding in which the licensee was named as a party within 20 calendar days of receiving written notification of the adverse decision. As shown by the findings of fact, Licensee failed to timely notify the Agency of the April 29, 2010 Arbitration Award and thus, he violated his obligation under the rule. The Agency has grounds for imposing disciplinary action for this violation.

Sanction

Regarding an appropriate sanction for the violations Licensee committed, the factors set out under OAR 863-027-0020(2) must be considered in determining the severity of the sanction.

To begin, Licensee failed to include zoning issues and the land-division violation, which were relevant data affecting the potential use and/or development of the property, in the published promotional materials. Likewise, Licensee failed to mark the appropriate boxes and complete the required disclosures in the sales agreement and warranty deed. Licensee also failed to report the adverse arbitration award to the Agency within the required time-limit.

As set out in the findings, Licensee knew about the zoning issues and land-division violations when he listed the property for sale. Licensee admitted that he wrote the listing, and entered the information into the RMLS data base, or, at the very least, he was responsible for the actions of any of his agents who may have entered the information. At each opportunity to disclose, as set out in the findings of fact, Licensee failed to do so. The Court of Appeals did not determine that Licensee's conduct rose to the level of deception, but agreed that Licensee's conduct was reckless.

The evidence established that Donnelly was harmed in the transaction. Donnelly was looking at the property he purchased from Licensee as an investment, including remodeling of the home. That has not been possible because of the zoning violations still present in the property. Donnelly explained that he ended up with nothing more than a 'tree farm' because of the zoning violations. Even if the other buyers did not fully disclose material facts to Donnelly, Licensee had an independent duty to act in good faith and adherence to the real estate licensing rules. He failed to do so and as a result Donnelly has incurred substantial economic damage because of the zoning violations, and in pursuing Licensee through legal action.

Licensee has never been the subject of any disciplinary action in Oregon or Washington. He has been active and licensed in both states for a lengthy period of time and has a high reputation in the real estate community for ethics and knowledge. Licensee reported the matter once he was made aware that he had violated the reporting provision. Licensee was cooperative with the investigation. Licensee has extensive experience in real estate but not in the particular type of transaction that resulted in this proposed agency disciplinary action. Licensee has a reputation for competence in real estate.

The record establishes that Licensee's conduct as described above resulted in significant damage or injury to Donnelly, for purposes of ORS 696.396(2)(A). Based on the foregoing, the Commissioner has determined that a sanction of one year suspension is appropriate

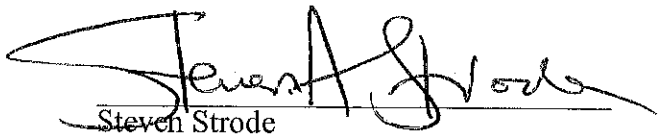
ORDER

Now therefore, the Commissioner orders as follows:

Licensee's Real Estate Principal Broker License is suspended for a period of one year beginning on June 1, 2019, and continuing through May 31, 2020.

IT IS SO ORDERED THIS 25th day of April , 2019

OREGON REAL ESTATE AGENCY



Steven Strode
Real Estate Commissioner

APPEAL RIGHTS

You are entitled to judicial review of this Order in accordance with ORS 183.482. You may request judicial review by filing a petition with the Oregon Court of Appeals in Salem, Oregon, within 60 days after the date of this Order.

Certificate of Mailing

On April 25, 2019, I mailed the foregoing Final Order on Remand issued on this date in OAH Case No. 1202930 and the Agency Case No. 2011-492.

By: First Class Mail

CHRISTOPHER ROBERT FOX
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Carolyn Kalb
Compliance Specialist

REAL ESTATE AGENCY

BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of MICHELLE PATRICIA WREGE	STIPULATED FINAL ORDER

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

FINDINGS OF FACT

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CONCLUSIONS OF LAW

1.

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

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

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

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

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

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

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

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

Violation: By failing to properly reconcile the clients' trust account ending in #7587 and security deposits account ending in #7338 Wrege violated ORS 696.301(3) as it incorporates OAR 863-025-0025(20)(a), OAR 863-025-0025(21)(a) (11-15-16 Edition),OAR 863-025-0028(2)(a), and OAR 863-025-0028(3)(a) (1-1-2018 Edition) which requires a property manager to reconcile each clients' trust account and security deposits account within 30 calendar days of the date of the bank statement. The reconciliation must have the following three components in a single reconciliation document: bank statement balance adjusted for outstanding items, check register balance as of the date of the bank statement and the sum of all positive owners' ledgers or the sum of all positive individual security deposits (for security deposits account) held as of the date of the bank statement.

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1.7 Agency licensing records showed security deposits account ending in #7338 was opened on July 1, 2014, and the account name displayed was "PropM, Inc Security Deposits Account."

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

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

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

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

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

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2.

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

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

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

STIPULATION & WAIVER

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

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

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ORDER

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

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

IT IS SO STIPULATED:

Michelle Patricia Wrege

Date 5-07-19

IT IS SO ORDERED:

Steven Strode

Real Estate Commissioner

Date 5/16/19

Date of Service: 5/16/2019

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Broker License of Keri L. Warner	STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Keri L. Warner (Warner) do hereby agree and stipulate to the following:

FINDINGS OF FACT

Warner was licensed as broker with Coldwell Banker Advantage One Properties. Warner's license expired on September 1, 2018, and was not renewed until October 17, 2018. During the time Warner's license was expired, September 1, 2018 to October 16, 2018, 46 days, Warner continued conducting professional real estate activity as if actively licensed.

CONCLUSION OF LAW

By conducting professional real estate activity over the course of 46 days after Warner's license expired and before renewing it, Warner violated ORS 696.020(2) and is subject to discipline or civil penalty pursuant to ORS 696.990(4) and (9).

STIPULATION & WAIVER

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

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

ORDER

IT IS HEREBY ORDERED that pursuant to ORS 696.990(1) to (9) and based upon the violation set forth above, Warner pay a civil penalty in the sum of $100.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to the Agency. The civil penalty is computed in accordance with ORS 696.990(4) and (9) in that each 30-day period of unlicensed activity is considered one violation. In this instance, there was one 30-day period of unlicensed activity.

IT IS SO STIPULATED:

KERI L. WARNER

Date 3/10/19

IT IS SO ORDERED:

STEVEN STRODE
Real Estate Commissioner

Date 3/20/19

Date of Service: 3/20/19

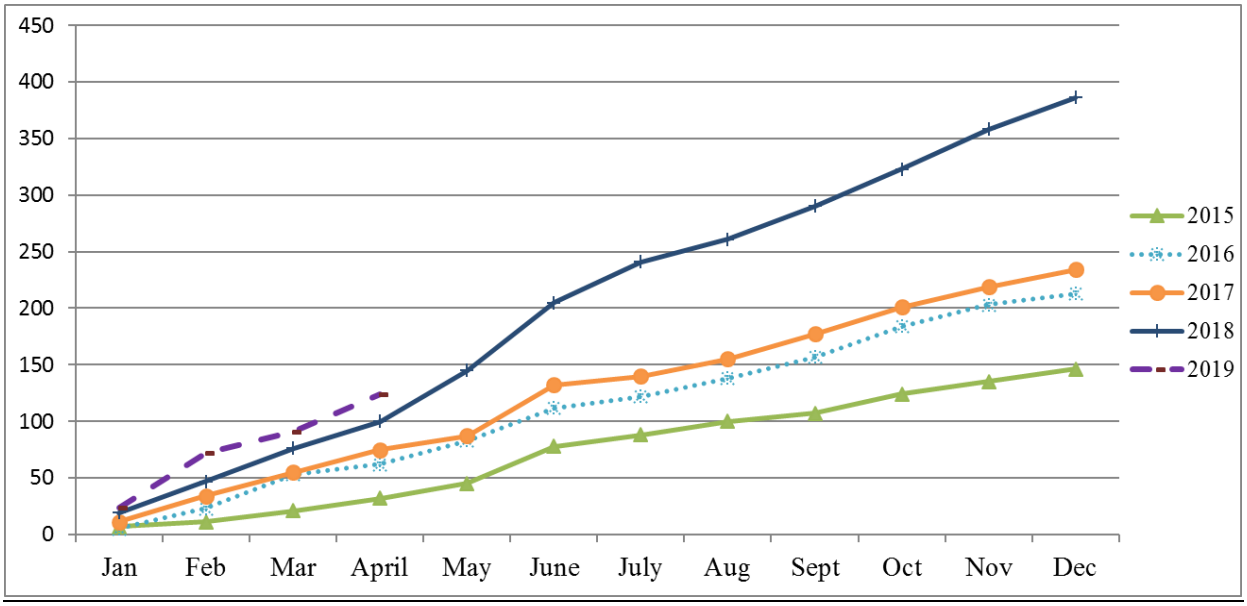
AGENDA ITEM NO. VI.B.2.

Report to the Real Estate Board
Land Development Division
3 June 2019

Division Manager: Michael Hanifin

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

Workload and Activity Indicators



Overall filing volume continues to exceed previous years and suggests this year will equal or exceed the filing volume seen last year. Filing volume thru end of April this year is up 24% over the previous year. As a historical comparison, the average filing volume thru end of April for years 2011 through 2017 was 59. This year thru end of April we had 124 filings, which is 210% of average filing volume.

Legislative Summary 2019 Regular Session

Agency Budget Bill

SB 5536 – The budget bill was signed into law April 10th, 2019. Effective date July 1st, 2019.

Agency Housekeeping Bill

HB 2275 - This is a minor housekeeping bill that clarifies in ORS 696.030(13) that vacation rentals are not subject to regulation. The clarification regarding vacation rentals is essentially removing the word "nonlicensed", which we added inadvertently in our comprehensive cleanup of Chapter 696 during the 2017 session. No fiscal impact.

Status: Signed into law May 3rd, 2019. Effective January 1, 2020.

Industry/Public Concepts

HB 2485 –This concept is a reorganization and tightening up of the filing process for condominiums. As initially drafted for the 2017 session, this bill did not have substantive changes to law and focused on process and timing for filing requirements. This concept also modernizes Chapter 100 to facilitate future translation of the condominium filing process from paper to digital. No fiscal impact.

Status: Signed into law May 6th, 2019. Effective January 1, 2020.

HB 2486 - This bill relates to the requirement of condominium unit owners associations to file initial information reports and annual reports with the agency. As background, every association is supposed to file an initial information report with the agency after recording of the condominium. Thereafter, an annual report is filed with the agency. These report includes contact information for the chairperson, secretary, and agent. They must also be signed by two of the three, with one of them being the agent. This bill changes the signature requirements on these reports from two signatures to one and makes changes facilitating online filing of these reports. No fiscal impact.

Status: Passed by the House, passed by the Senate (with amendment) on May 16, moving back to the House for 3rd reading (tentatively scheduled for May 20th).

HB 2466 – This bill will require condominium associations to secure fidelity insurance under some circumstances. Impact on the Agency will be minimal, as we will simply have to look for

provision for the insurance in the course of reviewing the bylaws. No fiscal impact on the Agency.

Status: Signed into law May 6th, 2019. Effective date January 1, 2020.

AGENDA ITEM NO. VI.B.3.

REAL ESTATE BOARD
ADMINISTRATIVE SERVICES DIVISION REPORT
June 3, 2019

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

Customer Service Manager: Madeline Alvarado
Compliance Specialist: Tami Schemmel
Compliance Specialist: Danette Rozell
Licensing Specialist: Jenifer Wetherbee
Receptionist: Nenah Darville

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 preparation, accounting, purchasing and contracting, inventory control, facilities, payroll, human resources, special projects, information technology (IT), reception, licensing services, communications and education.

Budget Update

Financial Projections: For the 2017-19 biennium projected revenue is at **$9.0 million** and projected expenses are at **$7.4 million**. The Agency cash balance as of May 1st is **$2.4 million**.

The 2019-21 Governor's Budget was published in late November at **$8.53 million** for the Oregon Real Estate Agency. The 9.7% budget increase over the 2017-19 biennium is attributed to the restoration of 3.5% in personal services and standard inflationary adjustments applied to Agencies statewide. The final Legislatively Adopted Budget will be published in July 2019.

Education

The legislature passed HB 4048 which introduces a Principal Broker Advanced Practices (PBAP) course requirement. This applies to principal brokers renewing for the first time or reactivating their license from the inactive status (after an initial renewal in the inactive status) beginning in July 2019. The Agency has received two PBAP courses and one has been approved to date. The second has been returned for revisions. The Agency will send a special notification to all principal brokers subject to this requirement within their renewal notice, starting in July.

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.

RBN Renewal

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Eligible to Renew	423	344	376	347								
Failed to Renew	26	15	14	22								
% Renewed	94%	96%	96%	94%								

Licensing Statistics

Total Licensee Counts by Month:

Individuals (Persons)	**Mar-19**	**Apr-19**
Broker – Total	**16,078**	**16,124**
Active	14,185	14,254
Inactive	1,893	1,870
Principal Broker - Total	**6,434**	**6,442**
Active	6,034	6,026
Inactive	400	416
ALL BROKERS Total	**22,512**	**22,566**
Active	20,219	20,280
Inactive	2,293	2,286
Property Manager - Total	**918**	**916**
Active	787	782
Inactive	131	134
MCC Salesperson	**25**	**23**
MCC Broker	**1**	**1**
TOTAL INDIVIDUALS	**23,456**	**23,506**
Active	21,032	21,086
Inactive	2,424	2,420
Facilities (Companies)		
REMO	6	6
Registered Business Name (RBN)	3,924	3,885
Registered Branch Office (RBO)	740	741
Escrow Organization	62	62
Escrow Branch	146	146
PBLN	NA	NA
PMLN	NA	NA
CEP	298	299
MCC Operator	25	25
TOTAL FACILITIES	**5,201**	**5,164**
TOTAL INDIVIDUALS & FACILITIES	**28,657**	**28,670**

New Licenses by Month:

Individuals (Persons)	**Mar-19**	**Apr-19**
Broker	155	194
Principal Broker	15	19
TOTAL BROKERS	**170**	**213**
Property Manager	7	8
MCC Salesperson	0	0
MCC Broker	0	0
TOTAL INDIVIDUALS		
Facilities (Companies)		
Continuing Education Provider (CEP)	1	1
REMO	0	0
Registered Business Name	33	34
Registered Branch Office	6	7
Escrow Organization	0	0
Escrow Branch	0	0
MCC Operator	0	0
TOTAL FACILITIES	**39**	**41**
TOTAL INDIVIDUALS & FACILITIES	**216**	**262**

Exam Statistics

April 2019 *ALL LICENSING EXAMS*	Total
Broker	469
Property Manager	25
Principal Broker	60
Reactivation	11

Pass Rates

First Time Pass Rate Percentage	*2015*	*2016*	*2017*	*2018*	*2019*
Broker State	69	64	61	58	58
Broker National	78	74	73	72	71
Principal Broker State	62	59	58	59	48
Principal Broker National	78	75	76	77	74
Property Manager	59	64	69	67	56

Oregon Real Estate Agency

Administrative Services Division
Licensee Application & Renewal
2019 Data

New Applications													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Brokers	**328**	**259**	**300**	**280**									**1167**
Principal Brokers	**47**	**32**	**39**	**25**									**143**
Property Managers	**17**	**18**	**24**	**39**									**98**
Total	**392**	**309**	**363**	**344**									**1408**

Renewal Activity														
Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	415	398	473	426									**1712**
	Inactive	43	41	35	33									**152**
Late	Active	42	25	37	47									**151**
	Inactive	7	14	9	6									**36**
Lapse		79	103	102	96									**380**
Total		**586**	**581**	**656**	**608**									**2431**

Principal Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	211	188	208	215									**822**
	Inactive	18	9	11	5									**43**
Late	Active	12	7	8	15									**42**
	Inactive	1	2	1	4									**8**
Lapse		29	28	28	20									**105**
Total		**271**	**234**	**256**	**259**									**1020**

Administrative Services Division
Licensee Application & Renewal
2019 Data

Property Managers		**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Total**
On Time	Active	40	28	24	22									**114**
	Inactive	6	3	3	5									**17**
Late	Active	4	2	1	1									**8**
	Inactive	1	0	0	0									**1**
Lapse		5	8	15	8									**36**
Total		**56**	**41**	**43**	**36**									**176**

Grand Total (Brokers, Principal Brokers, Property Managers)														
		Jan	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Total**
Total Eligible to Renew		**913**	**856**	**955**	**903**									**3627**
On Time	Active	666	614	705	663									**2648**
	Inactive	67	53	49	43									**212**
Late	Active	58	34	46	63									**201**
	Inactive	9	16	10	10									**45**
Total Renewed		**800**	**717**	**810**	**779**									**3106**
Lapse		**113**	**139**	**145**	**124**									**521**

% On Time		**80.3%**	**77.9%**	**79.0%**	**78.2%**									**78.9%**
% Late		**7.3%**	**5.8%**	**5.9%**	**8.1%**									**6.8%**
% Failed to Renew(Lapsed)		**12.4%**	**16.2%**	**15.2%**	**13.7%**									**14.4%**
Total		**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Oregon Real Estate Agency

Administrative Services Division
Licensee Application & Renewal
2018 Data

New Applications													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Brokers	322	303	352	353	302	325	271	293	270	236	260	231	3518
Principal Brokers	48	32	34	25	41	30	26	33	42	38	30	23	402
Property Managers	26	30	20	18	20	25	19	16	23	29	20	20	266
Total	396	365	406	396	363	380	316	342	335	303	310	274	4186

Renewed & Lapsed Licenses														
Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	453	430	469	483	481	469	483	464	496	492	436	499	5655
	Inactive	56	48	45	37	47	33	39	40	36	44	44	36	505
Late	Active	34	21	40	39	42	27	28	37	32	33	41	28	402
	Inactive	2	10	4	7	13	9	12	11	7	10	10	10	105
Lapse		96	80	97	87	113	84	87	96	88	109	68	81	1086
Total		641	589	655	653	696	622	649	648	659	688	599	654	7753

Principal Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	227	241	233	238	245	249	203	222	238	208	216	211	2731
	Inactive	11	10	10	17	15	17	15	12	8	8	14	12	149
Late	Active	8	8	12	16	13	12	12	11	14	9	12	8	135
	Inactive	1	2	2	3	2	3	1	4	2	2	1	3	26
Lapse		21	18	22	18	21	18	23	14	25	19	32	20	251
Total		268	279	279	292	296	299	254	263	287	246	275	254	3292

Administrative Services Division
Licensee Application & Renewal
2018 Data

Property Managers		**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Total**
On Time	Active	23	33	28	21	31	22	31	35	20	27	23	30	**324**
	Inactive	0	2	2	1	2	0	1	0	1	1	2	4	**16**
Late	Active	1	2	0	0	3	2	3	2	0	3	0	0	**16**
	Inactive	0	0	0	0	1	2	1	0	0	1	0	1	**6**
Lapse		10	10	5	8	5	2	7	9	11	7	9	10	**93**
Total		**34**	**47**	**35**	**30**	**42**	**28**	**43**	**46**	**32**	**39**	**34**	**45**	**455**

Grand Total (Brokers, Principal Brokers, Property Managers)														
		Jan	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Total**
Total Eligible to Renew		**943**	**915**	**969**	**975**	**1034**	**949**	**946**	**957**	**978**	**973**	**908**	**953**	**11500**
On Time	Active	703	704	730	742	757	740	717	721	754	727	675	740	**8710**
	Inactive	67	60	57	55	64	50	55	52	45	53	60	52	**670**
Late	Active	43	31	52	55	58	41	43	50	46	45	53	36	**553**
	Inactive	3	12	6	10	16	14	14	15	9	13	11	14	**137**
Total Renewed		**816**	**807**	**845**	**862**	**895**	**845**	**829**	**838**	**854**	**838**	**799**	**842**	**10070**
Lapse		**127**	**108**	**124**	**113**	**139**	**104**	**117**	**119**	**124**	**135**	**109**	**111**	**1430**

% On Time		**81.7%**	**83.5%**	**81.2%**	**81.7%**	**79.4%**	**83.2%**	**81.6%**	**80.8%**	**81.7%**	**80.2%**	**80.9%**	**83.1%**	**81.6%**
% Late		**4.9%**	**4.7%**	**6.0%**	**6.7%**	**7.2%**	**5.8%**	**6.0%**	**6.8%**	**5.6%**	**6.0%**	**7.0%**	**5.2%**	**6.0%**
% Lapsed (failed to renew in grace period)		**13.5%**	**11.8%**	**12.8%**	**11.6%**	**13.4%**	**11.0%**	**12.4%**	**12.4%**	**12.7%**	**13.9%**	**12.0%**	**11.6%**	**12.4%**
Total		**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Oregon Real Estate Agency

Administrative Services Division

Phone Counts

(minutes: seconds)	Jan – 19	Feb – 19	Mar – 19	Apr – 19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov--19	Dec-19	2019 Average
Call Count	2251	1748	1917	2138									2013.5
Average Wait Time	:20	:21	:29	:23									:23.25
Maximum Wait Time	16:06	9:32	21:21	14:03									15:15

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

(minutes: seconds)	Jan – 17	Feb – 17	Mar – 17	Apr – 17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	17-Nov	Dec-17	2017 Average
Call Count	2136	1944	2065	1766	1963	1939	1809	2009	1893	1968	1711	2051	1938
Average Wait Time	:45	:21	:23	:18	:17	:18	:23	:22	:16	:14	:16	:23	:21
Maximum Wait Time	28:13*	11:42	8:07	8:17	7:22	5:09	7:37	6:51	4:29	4:16	4:34	13:47	7:28

Real Estate Agency AY19 Budget – Biennium to Date (projections through 6/30/19)	Legislative Approved Budget	Expected Total Expenditures for Biennium (current)	Expected Remaining Limitation at end of Biennium
Total Personal Services	**6,121,432**	**6,180,239**	**(58,807)**
Services & Supplies and Capital Outlay Detail:			
In-State Travel & Out-of-State Travel	95,146	108,572	(13,426)
Employee Training	35,640	24,144	11,496
Office Expenses	113,231	39,448	73,783
Telecom/Tech Services & Support	29,024	52,756	(23,732)
State Government Services	205,532	204,854	678
Data Processing	85,296	122,580	(37,284)
Publicity & Publications	55,374	644	54,730
Professional Services & IT Professional Services	178,828	218,243	(39,415)
Attorney General Legal Fees	254,553	91,665	162,888
Employee Recruitment	7,464	250	7,214
Dues & Subscriptions	9,224	5,089	4,135
Facilities Rent & Taxes	245,290	228,678	16,612
Facilities Maintenance	4,354	1,471	2,883
Agency Program Related S&S	39,796	250	39,546
Other Services & Supplies	116,647	154,937	(38,290)
Expendable Property $250-$5000	28,081	7,128	20,953
IT Expendable Property	157,006	18,564	138,442
Total Services & Supplies and Capital Outlay	**1,660,486**	**1,279,274**	**381,212**
Totals	**7,781,918**	**7,459,513**	**322,405**