Notice of Agenda
OREGON REAL ESTATE BOARD
Regular Meeting Agenda
Monday, April 1, 2019
Standard Insurance
900 SW 5th Ave
Portland, OR 97204

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 2.4.19, regular meeting minutes
   E. Date of the Next Meeting: 6.3.19 in Salem, OR location to be determined, to begin 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. NEW BUSINESS – Chair Farley
   A. PROTECTING VULNERABLE OREGONIANS FROM FINANCIAL ABUSE – Guest Speaker, Billie McNeely, Oregon’s Financial Exploitation Specialist
   B. 2019 Governor’s State Employee Food Drive Results-Commissioner Strode

IV. REQUESTS FOR WAIVERS – Chair Farley. Waiver request log.
   A. Ross Kelley requests experience requirement waiver.

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

VII. COMMUNICATIONS – Administrative Actions Summary – Chair Farley

VIII. REPORTS – Chair Farley
   A. Commissioner Strode
   B. Agency division reports- Deputy Commissioner Owens
      1. Regulation Division – Selina Barnes
      2. Land Development Division – Michael Hanifin
      3. Education, Licensing, and Administrative Services Division – Maddy Alvarado

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

X. ADJOURNMENT – Chair Farley

   Interpreter services or auxiliary aids for persons with disabilities are available upon advance request.
OREGON REAL ESTATE BOARD
Regular Meeting Minutes
Oregon Real Estate Agency
530 Center St. NE, Suite 100
Salem, OR 97301

Monday, February 4, 2019

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

BOARD MEMBERS ABSENT:  Lawnae Hunter, Vice Chair, excused

OREA STAFF PRESENT:  Dean Owens, Acting Commissioner
Selina Barnes, Regulations Division Manager
Maddy Alvarado, Customer Service Manager
Mesheal Heyman, Communications Coordinator

GUESTS PRESENT:  Matt Fellman, Crawford Inspection Services
Peter Bale, Peter Bale Consulting

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

MOTION TO APPROVE AGENDA AND ORDER OF BUSINESS UPON CORRECTING AGENDA ITEM NO. V. A. 4. MEETING DATE FROM 12.7.19 TO 12.2.19 BY DAVE HAMILTON
SECOND BY DAVE KOCH
MOTION CARRIED BY UNANIMOUS VOTE

D. Approval of 12.10.18 regular meeting minutes.

MOTION TO APPROVE 12.8.18 REGULAR MEETING MINUTES AS SUBMITTED BY DAVE HAMILTON
SECOND BY DEBRA GISRIEL
MOTION CARRIED BY UNANIMOUS VOTE

E. Date of the Next Meeting: 4.1.19 at the Standard Insurance Center, 900 SW 5th Ave, Portland, OR 97204, to begin 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.

Peter Bale addressed the issue of improving the process/protocol involved in continuing education classes, specific to monitoring licensees to ensure they are engaged and present during the education classes. He also stated that he personally prefers live (in person) training to online training.

DISCUSSION:  General consensus of the board was to revisit/review this topic at the 4.1.19 board meeting.

III. REQUESTS FOR WAIVERS – Chair Farley. None.

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER– Chair Farley.
A. 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.

B. 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.

C. 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.

V. BOARD ADVICE/ACTION – Acting Commissioner Dean Owens

A. 2019 potential meeting locations for:
   1. 6.3.19 - Salem, venue to be determined
   2. 8.5.19 - Hood River, venue to be determined
   3. 10.7.19 - Astoria, venue to be determined
   4. 12.7.19 - Salem, OREA date corrected to 12.2.19

VI. NEW BUSINESS - Chair Farley

A. 2019 Governor’s State Employee Food Drive - Acting Commissioner Dean Owens - Mr. Owens explained that the food drive takes place every year during the month of February and the Agency participates by making food, payroll and cash donations as well as organizing various fundraisers. He also directed board members who wished to provide a cash donation to make checks payable to the food bank of their choice and forward to the Agency.

VII. COMMUNICATIONS - Administrative Actions Summary - Chair Farley

VIII. REPORTS – Chair Farley

A. Agency division report - Acting Commissioner Dean Owens. Mr. Owens announced that Governor Brown appointed Steve Strode as the new Commissioner of the Agency. He also provided a brief legislation update.
   1. Regulation Division - Selina Barnes. Ms. Barnes summarized the statistics provided in the written handout and explained staff changes due to an investigator resignation.
   2. Land Development Division - Michael Hanifin. Mr. Hanifin reviewed the information/statistics provided in the written handout and provided a legislation update.
   3. Education, Licensing, and Administrative Services Division – Maddy Alvarado. Ms. Alvarado summarized the statistics/information provided in the written handout and also explained staff duty changes.

IX. ANNOUNCEMENTS – Chair Farley. Next board meeting: 4.1.19 at the Standard Insurance Center, 900 SW 5th Ave., Portland, OR 97204, to begin at 10am.

X. ADJOURNMENT

Respectfully submitted,  

DEAN OWENS, ACTING COMMISSIONER  

JEF FARLEY, BOARD CHAIR
Protecting Oregonians from Abuse: A closer look
Projected growth of Oregon’s senior population from 2012 to 2030 is 175%.

Source: The Oregon Office of Economic Analysis.
Why Does This Matter?

Retirement Savings Lost:

Average US Victim Loses
$120,000

Average Retirement Savings at 50
$108,000

Average Oregon Loss
$25,000
Predominately female, however, more likely to be male than any other abuse type:
A closer look at perpetrators

- Fifty five percent had a familial relationship.
- Still less than 5% of perpetrators were truly strangers to the victim.
What is Taken?

- Money: 51%
- meds: 12%
- rent: 6%
- personal property: 7%
- real estate: 3%
- vehicle: 3%
- scam: 3%
- will: 2%
- debit/credit: 8%
- food stamps: 2%
- hours: 1%
- identity: 1%
- jewelry: 1%
- food: 0%
It’s An Under-reported Problem

• May be afraid to tell what happened
• Might not understand what happened
• Might not be able to verbalize what happened
• Ashamed that a family member mistreated them
• Don’t think police or social agencies can really help
POA Abuse
ORS 127.045

Unless otherwise provided in the power of attorney document, an agent must use the property of the principal for the benefit of the principal.
Financial Victimization

- Financial victimization of the elderly and other dependent adults can be prosecuted criminally even if the victim “participates” in his or her own victimization because the relevant statutes focus on the perpetrator’s actions and state of mind, not the victim’s.
HB2622

- Authorizes financial institutions to refuse certain financial transactions when they reasonably believe financial exploitation of a “vulnerable person” may have occurred, may have been attempted or is being attempted.
FREEZE

- Refuse a transaction with or involving the vulnerable person
- Refuse to permit the withdrawal or disbursement of funds in the account
- Prevent a change in ownership
- Prevent a transfer in funds from the vulnerable person's account to an account wholly or partially by another
- Refuse to comply with instructions given to the institution by POA signed or purported to have been signed by the vulnerable person
Time Frames

• 15 days from when the financial intuition first acted if it did not involve the sale of a security.
• When the financial institution is satisfied the vulnerable person will not be further exploited.
• Upon court order.
Bonus!

- The financial institution **MAY** extend this duration based on reasonable belief that financial exploitation of a vulnerable person may continue to occur or be attempted.
HOW MUCH SCAMS ARE COSTING SENIORS ANNUALLY

$36.5 BILLION

- TRUST ABUSE: Taking advantage of a trusting relationship to scam money from seniors.
- FRAUD: Conning seniors into sending money or sharing personal info.
- EXPLOITATION: Use of misleading language to trick seniors into financial mistakes.

Source: True Link Financial
Adult Protective Services: Scope of authority

• Adults have the right to make *informed choices* that do not conform to societal norms as long as those decisions are not harmful to others.

• This includes the right to refuse participation in APS assessment, investigation or intervention.

**The role of APS is:**

• *Civil, not criminal;*

• *Based on cooperative agreements with regulatory and enforcement agencies.*
What Happens When You Make the Report?

- Screening Process
- Investigation Process
- Services offered
- Referral to law enforcement, Medicaid Fraud Unit, SS Administration, DOJ
Beyond Financial Exploitation

- Neglect
- Physical Abuse
- Verbal Abuse
- Sexual Abuse
- Abandonment
- Involuntary Seclusion
- Wrongful Restraint
Where to Report?

Reporting Hotline:

1-855-503-SAFE

Or DHS Branch Offices:

Contact:

Aging and People with Disabilities

Billie McNeely, APD State Financial Exploitation Specialist
Email: billie.mcneely@state.or.us
503 689 3869
## Experience Requirement Waiver Request Log
### 2018 - 2019

<table>
<thead>
<tr>
<th>DATE</th>
<th>NAME</th>
<th>TYPE OF LICENSE</th>
<th>APPROVED OR DENIED</th>
<th>FACTS AND BOARD DISCUSSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>04.02.18</td>
<td>Ross Kelley</td>
<td>PB</td>
<td>Denied</td>
<td>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 he 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.</td>
</tr>
<tr>
<td>06.04.18</td>
<td>Ryan McGraw</td>
<td>PB</td>
<td>Approved</td>
<td>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’s 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.</td>
</tr>
<tr>
<td>12.10.18</td>
<td>Joseph Edwards</td>
<td>PB</td>
<td>Withdrawn</td>
<td>Joseph Edwards requests an experience waiver, Mr. Edwards contacted the agency to cancel his appearance due to unsafe road conditions.</td>
</tr>
<tr>
<td>04.01.19</td>
<td>Ross Kelley</td>
<td>PB</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Oregon Real Estate Board
Experience Requirement Waiver Request

Date: March 4, 2019
Name: Ross Kelley
Address: 1826 SW Dolph St., Portland, OR 97219
Daytime Phone Number: 503-901-9284
Oregon License Number: 201222308

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:
   __05/07/2018__ 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 X No ______. Indicate the following

<table>
<thead>
<tr>
<th>Type of License</th>
<th>State Issued</th>
<th>Dates Active License Held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Broker (27373)</td>
<td>WA</td>
<td>From: 12/27/18 To Present</td>
</tr>
</tbody>
</table>

4. Per OAR 863-014-0040 and OAR 863-014-0042, I have:

<table>
<thead>
<tr>
<th>Completed the “Broker Administration and Sales Supervision&quot; course for principal real estate brokers. <strong>Must be completed PRIOR to waiver request.</strong></th>
<th>Yes</th>
<th>No</th>
<th>Date Completed</th>
<th>Additional Required Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td></td>
<td>1/27/18</td>
<td>Attach original course certificate.</td>
</tr>
<tr>
<td>Submitted the Real Estate License Application for Principal Broker license and $230 fee. <strong>Must be completed PRIOR to waiver request.</strong></td>
<td>Yes</td>
<td>No</td>
<td>1/10/18</td>
<td>Attach copy of confirmation letter from Agency.</td>
</tr>
<tr>
<td>Successfully passed the Oregon Principal Broker exam. <strong>Must be completed PRIOR to waiver request.</strong></td>
<td>Yes</td>
<td>No</td>
<td>3/04/19</td>
<td>National Score: 71/80</td>
</tr>
<tr>
<td>Graduated from a four-year college or university with a degree in real estate curriculum approved by the Commissioner. (863-014-0042)</td>
<td>X</td>
<td></td>
<td></td>
<td>State Score: 44/50</td>
</tr>
<tr>
<td>Graduated with a two-year community college associates degree in real estate curriculum approved by the Commissioner. (863-014-0042)</td>
<td></td>
<td>X</td>
<td></td>
<td>See Exhibit C.</td>
</tr>
</tbody>
</table>

Agency Use Only

See Exhibit A.

See Exhibit B.

See Exhibit C.
Substantial real estate-related experience equivalent to at least 3 years active licensed experience. Include any real estate designations achieved. (OAR 863-014-0042)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Date Completed</th>
<th>Additional Required Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td></td>
<td>Attach a written details about your additional real estate experience that would assist in the Board’s consideration of your waiver request.</td>
</tr>
</tbody>
</table>

See Letter Accompanying Experience Requirement Waiver Request

- 5/11/14
- 1/01/17
- Present

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.

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Date Completed</th>
<th>Additional Required Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td></td>
<td>Attach a document showing the number and types of transactions you have completed while licensed, if any.</td>
</tr>
</tbody>
</table>

See Broker Section in attached Waiver Letter

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.

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

I certify that the above information is true to the best of my knowledge.

[Signature of Waiver Applicant]

Date 2/4/19
March 4, 2019

Real Estate Agency
530 Center St NE Ste 100
Salem, OR 97301-2505
ATTN: Madeline Alvarado

Via email: madeline.c.alvarado@state.or.us

RE: Letter Accompanying Experience Requirement Waiver Request

Dear Oregon Real Estate Board,

I submit this application as I believe my unique background, education, and work experiences qualify as substantial real estate-related experiences equivalent to at least 3 years of active licensed experience, and thus allow me the opportunity to receive a waiver to become an Oregon Principal Broker.

My real estate experience can be broken into four unique phases: (1) acquiring a joint JD/MBA degree with a focus in real estate, (2) working as a real estate attorney, (3) working as the head of acquisitions and sales for a Portland developer, and (4) working as an Oregon broker and Washington Managing broker.

**JD/MBA Degree**

I enrolled into a joint JD/MBA program in 2010 with the goal to attain the skills and education necessary to one day run and manage my own business. As I got further along in my studies, it became apparent to me that my skillset and passion would lead me to a business related to real estate. To better prepare myself for my future profession in real estate, I took classes specifically focused on real estate, including Commercial Real Estate Transactions and Finance, Contracts, Real Estate Finance, Investment, and Entrepreneurship, and was a member of the Transactional Negotiation Team.

**Real Estate Attorney**

Immediately upon graduating law school, I started work at the law firm Reed Smith, where I worked as a real estate attorney on the Real Estate Team for over two and a half years. As one of the largest international law firms in the world, Reed Smith allowed me the rare opportunity to work on a great number of diverse real estate transactions.

Working for such a large firm gave me the opportunity to advise a range of clients (from small individual investors to billion-dollar REITs to institutional lenders) on a range of deals...
(from a $700,000 condo purchase to a $260 million hotel purchase to the development of multi-billion dollar wind plant).

A large part of my job was drafting transaction documents for clients. To help facilitate closings I commonly drafted purchase and sale agreements, land sale contracts, LOIs, listing agreements, contract addenda, promissory notes, deeds of trusts, and other escrow related closing documents. My involvement and timing on deals would vary greatly (ranging from drafting the LOI at the very beginning of a transaction to jumping in on the date of closing to help fix an error for the escrow or title company).

As a fiduciary, I also spent a large amount of my time advising clients on an array of corporate matters, including mergers and acquisitions, formation and corporate governance, equity and debt financings, and day-to-day legal matters.

Besides representing the individual purchaser or seller in a transaction, I also represented multiple institutional lenders in connection with real estate financing transactions. This representation involved reviewing and drafting construction, mortgage, and refinance loan documents.

**Head of Acquisitions and Sales for Developer**

After spending nearly three years as a real estate attorney, I moved back to Portland in 2016 and have been working for a local real estate developer for over 2 years. While I am fortunate to wear a lot of hats at my current job, my main roles are to (1) buy and sell properties, (2) close construction, permanent, and refinance loans, and (3) oversee the property management subsidiary.

While working for my current employer I have overseen the purchase and sale of many properties, including offices, lots of land, houses, and multi-family apartment buildings. To purchase and sell each property, I have worked with many different local real estate brokers. Because of my background in real estate law and long list of closed transactions under my belt, I take a very active role in each transaction. This active role includes drafting, reviewing, and revising the LOI, PSA, PSA addendum, promissory notes, deed of trusts, and escrow instructions, and commonly involves me communicating directly with the other side (and the other sides’ attorney), title/escrow agent, appraisers, surveyors, environmental engineers, mortgage brokers, and lenders.

**Oregon Broker and Washington Managing Broker**

I acquired my Oregon broker’s license in early 2018 and became affiliated with (w)here, Inc. on 05/07/2018. Since joining (w)here, I have closed 2 transactions: 16390 SW Cinnabar Ct., Beaverton, OR on 8/13/2018 (ML#: 18390412) and 1826 SW Dolph St., Portland, OR on 8/27/2018 (ML#: 18444716). I am also in the process of listing another property in Oregon, and hope to close on that property in the next few months.

I acquired my Washington Managing Broker’s license in December of 2018. I am affiliated with (w)here, Inc. in the state of Washington for this license as well.
Experiences Demonstrate Substantial Real Estate Experience

I believe that my work experiences and successes detailed in this letter (particularly my time as a real estate attorney) demonstrate that I have substantial real estate experience. Although it is not precedent, I believe that it is relevant to note that several other states highly value the experience as a real estate attorney. For example, Washington state code (WAC 308-124A-713) specifically states that “experience as an attorney at law with practice in real estate transactions for not less than one year” is a qualification in lieu of three years of full-time broker experience.

Thank you for giving me the opportunity to apply for an experience requirement waiver. I hope I have given the Board the confidence that I can adequately manage a real estate business.

Sincerely,

Ross Kelley

Enclosures

Exhibit A: Broker Administration and Sales Supervision Certificate
Exhibit B: Principal Broker Application Confirmation
Exhibit C: Broker Exams
Exhibit D: Letters of Recommendation
EXHIBIT A

Broker Administration and Sales Supervision Certificate
Completion Record
Oregon Real Estate Prelicense Education

You’ve successfully completed OnCourse Learning Real Estate's Oregon Real Estate Continuing Education course, Oregon Brokerage Administration and Sales Supervision - Part II.

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

Important Instructions to Obtain Your License

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

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

Detailed instructions regarding the submission of your license application and the steps to obtain your license may be found at the Oregon Real Estate Agency website below:
http://www.oregon.gov/rea/lic/Pages/index.aspx
Certificate of Real Estate Prelicense Education
This certifies that

Student Name: Ross Kelley
9-digit Applicant ID:
Date of Birth: 
Course Title: Oregon Brokerage Administration and Sales Supervision - Part II
Course Number: 302OR032
Course Completion Date: 1/27/2018
Course Credit Hours: 40.00
Education Provider: OnCourse Learning Real Estate

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

Signature of School Official:

[Signature]

https://symphony.ocltraining.com/Handlers/CertificateHandler.ashx/?U...25&CourseOrClassID=0&CertificateTemplateId=0&renderCertificate=true
Thank you for Completing Oregon Brokerage Administration and Sales Supervision - Part I

Ross Kelley
1/19/2018
EXHIBIT B
Principal Broker Application
Confirmation
Dear Ross Patrick Kelley,

The Oregon Real Estate Agency has received your principal real estate broker license application. You may provide a copy of this e-mail to your real estate school as proof that you have submitted your license application to the Agency.

- Your applicant ID number is #201222308. Please keep this number for future use when contacting the Agency.
- Check your application status by logging into your eLicense account at https://orea.elicense.irondata.com/. Your license requirements will display under the Application Status tab.
- Agency records show that you must complete the following education from approved course providers to be eligible to take the principal broker license exam (only courses completed on or after January 1, 2013 qualify):
  - The broker pre-license course of study, consisting of 7 courses for a total of 150 hours, and
  - The 40-hour Brokerage Administration and Sales Supervision course.
- For more information on license requirements, please visit Principal Broker License Requirements.

IMPORTANT NOTE: You are NOT actively licensed as a principal broker at this time. You cannot conduct professional real estate activity as a principal broker until you are actively licensed as one.

Oregon Real Estate Agency
530 Center St. NE Ste. 100
Salem, OR 97301
(503) 378-4170
www.rea.state.or.us
orea.info@state.or.us
Payment Confirmation for E-Payments

Oregon Real Estate Agency <noreply@epymtsline.com>  
To: rosskelley@gmail.com  

*** PLEASE DO NOT RESPOND TO THIS EMAIL ***

This email is to confirm your refund payment submitted on Jan-10-2018 for E-Payments.

Confirmation Number: ORREAB000100089  
Refund Amount: $230.00  
Payment Effective Date: Jan-10-2018  
Account Nickname: N/A  
Credit Card Number: *  
Credit Card Type: VISA  
Approval Code: N/A  
Merchant: REAL ESTATE EPAY  
Website: https://orea.elicense.irondata.com/

If you have questions about this payment or need assistance, please view the payment online at https://orea.elicense.irondata.com/, or call Customer Service at (503)378-4170.

Thank you for using the N/A Agency electronic payment system.
EXHIBIT C
Broker Exams
Oregon Real Estate Agency
Real Estate Broker
Score Report

Ross Kelley
1826 SW Dolph St.
Portland, Oregon 97219

Candidate ID: XXX-XX-2308
Exam: OR Principal Broker Exam - OR Principal Broker - National
Exam Date: 03/04/2019

PASSING SCORE: 60.0 (75%)  YOUR SCORE: 71.0  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:

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- 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

Ross Kelley
1826 SW Dolph St.
Portland, Oregon 97219

Candidate ID: XXX-XX-2308
Exam: OR Principal Broker Exam - OR Principal Broker - State
Exam Date: 03/04/2019

PASSING SCORE: 38.0 (75%)
YOUR SCORE: 44.0
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.

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- 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.
March 7, 2018

RE:  Ross Kelley

Dear Oregon Real Estate Board:

I am an attorney and partner (in the real estate group) at the law firm Reed Smith LLP, which is one of the largest law firms in the world. The purpose of this letter is to strongly recommend that the Oregon Real Estate Board approve Ross Kelley to become an Oregon Principal Broker.

I had the pleasure of working with Ross from 2013 to 2016. During much of this time, Ross and I worked very closely together, almost on a daily basis, in the Firm’s Real Estate Group. Based on my personal experience working closely with Ross, I can confidently state that Ross is extremely well equipped and more than ready to be a Principal Broker.

Ross was an excellent and diligent attorney who gained significant experience on all sides of real estate transactions. I can attest to the fact that he has gained substantial experience on many very large and highly complex real estate transactions. During his tenure at Reed Smith, for example, he worked to successfully close many deals for individuals, developers, lenders, equity financiers, REITs, and joint ventures – on both the seller and buyer side, and involving many different real estate asset classes. To help facilitate closings for his clients, Ross also helped his clients with leasing, development, and financing of real estate based assets. To hasten the speed of closings, Ross would also take charge of matters and deals regularly, and coordinate and communicate with all transaction parties – such as brokers, lenders, title and escrow companies, and various vendors (e.g., environmental consultants, engineering firms, etc.).

Ross was a very valuable asset to the Real Estate Group at Reed Smith, and I know he will be an even better asset to the Principal Broker community in the state of Oregon.

I am happy to answer any other questions you may have.

Sincerely,

Stephane D. Nguyen

SDN:cn
March 7, 2018

Real Estate Agency  
Attn: Madeline Alvarado  
530 Center Street NE  
Suite 100  
Salem, OR  97301-2505

Re: Ross Kelley

Dear Oregon Real Estate Board:

It is my pleasure to recommend that the Board should accept Ross Kelley’s application to become an Oregon Principal Broker. I had the privilege of working closely with Ross for over two and a half years when he was an attorney at Reed Smith LLP in Los Angeles.

During his time at Reed Smith, Ross showed an invaluable work ethic and strong knowledge of real estate law and finance. Ross diligently worked on all sides of real estate closings, and helped facilitate numerous real estate dispositions and acquisitions. He also worked extensively with institutional lenders to help close mortgage, construction and permanent loans.

I am confident that Ross possesses the skills, knowledge, and ethics to be a successful Principal Broker. I recommend Ross without reservation, and would be happy to provide any additional information if needed.

Sincerely,

James Eskilson

JE:rk
March 12, 2018

Real Estate Agency
530 Center St NE, Suite 100
Salem, Oregon 97301-2505A
Attn: Madeline Alvarado

Re: Ross Kelley – Oregon Principal Broker

To whom it may concern:

I am very pleased to recommend that Ross Kelley be accepted as a Principal Broker in the State of Oregon. I have worked opposite of Ross on several real estate transactions when we were a real estate attorney in Los Angeles. Ross proved to be a tremendous asset and fiduciary to his clients in every transaction that we were a part of.

Ross has displayed great knowledge and skills in these transactions and closings, and was essential to his clients in bringing about efficient and successful results.

Out of the workplace, I was able to get to know Ross on a more personal level through various real estate organizations and events. Ross is a high character individual and possesses tremendous morals and ethics, which will serve him very well as an Oregon Principal Broker.

Ross has my highest recommendation. I expect that his skills and leadership qualities will make him an invaluable addition to the Oregon Principal Broker community.

Sincerely,

Ryan E. Dosh
ADMINISTRATIVE ACTIONS
for OREA Board
1/23/201 through 3/18/2019

REVOCATIONS

Leitch, Brenda Dalton (Hammond) 990700056, Default Order dated March 5, 2019, issuing a revocation.

SUSPENSIONS

REPRIMANDS

Hoyer, Sherry Lee (Bend) Property Manager 200702277, Stipulated Order dated February 19, 2019, issuing a reprimand with education.

Fox, Marcus Andrew (Sherwood) Principal Broker 200508221, Stipulated Order dated February 21, 2019, issuing a reprimand.

CIVIL PENALTIES

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

McCaslin, Mimi (Portland) Broker 910600032, Stipulated Order dated February 21, 2019 levying a $100.00 civil penalty for unlicensed activity.
REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

BRENDA DALTON LEITCH

1.

1.1 On February 5, 2019, the Real Estate Commissioner issued, by certified mail, a Notice of Intent to Revoke Brenda Dalton Leitch's (Leitch) property manager license. The Oregon Real Estate Agency (Agency) sent the Notice of Intent to Leitch's last known address of record with the Agency. The Notice of Intent was also mailed to Leitch by regular first class mail in a handwritten envelope.

1.2 The certified mailing of the Notice of Intent and the first class mailing of the Notice of Intent were sent to Leitch at 1049 Nautical Dr., Hammond, OR 97121. These mailings have not been returned to the Agency.

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

1.4 Copies of the entire investigation file are designated as the record for purposes of default, including any submission from respondent and all information in the administrative file relating to the mailing of notices and any responses received.

2.

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

2.1 Oregon Administrative Rule 863-001-0006 states, in part, that a notice of intent is properly served when deposited in the United States mail, registered or certified mail, addressed to the real estate licensee or to any other person having an interest in a proceeding before the Commissioner at the licensee's or other person's last known address of record with the Agency.
2.2 Leitch's last known address of record with the Agency was 1049 Nautical Dr., Hammond, OR 97121.

2.3 A certified mailing of the Notice of Intent was mailed to Leitch at her last known address of record on February 5, 2019. The certified mailing has not been returned to the Agency.

2.4 The Notice of Intent was also mailed first class to Leitch's address of record on February 5, 2019. The first class mailing in the handwritten envelope has not been returned to the Agency. In accordance with ORS 40.135(1)(q), there is a presumption that the mailing properly addressed and placed with the U.S. Postal Service was delivered. That presumption has not been overcome by any evidence.

2.5 Over twenty (20) days have elapsed since the mailing of the notice and no written request for a hearing has been received.

FINDINGS OF FACT

&

CONCLUSIONS OF LAW

3.

3.1 At all times mentioned herein, Leitch was licensed as a property manager doing business under the registered business name of B Dalton Property Management.

3.2 On June 19, 2018, the Agency mailed Leitch an initial notice for a Clients’ Trust Account reconciliation mail-in review relating to security deposits account ending in #8142 held at Columbia Bank. Leitch failed to respond to the notice. On August 18, 2018, phone contact was attempted by Agency staff but Leitch could not be reached and her phone would not accept messages.

3.3 On August 20, 2018, Agency Compliance Coordinator, Deanna Hewitt (Hewitt) left a voicemail for Leitch informing her that a second notice for the reconciliation mail-in review was being issued. Leitch responded to the call explaining she was on vacation and had not seen the previous notice. Leitch implied to Hewitt she would respond to the notice once she had returned from vacation.

3.4 On August 21, 2018, a second notice for the mail in review was issued.
3.5 As of December 6, 2018, Leitch never submitted the requested documents to the Agency in regards to the reconciliation mail-in review.

**Violation:** By failing to respond to the reconciliation mail in review and provide the requested documents Leitch violated ORS 696.301(3) as it incorporates OAR 863-025-0035(2)(a) (1-1-2018 Edition) which states: (2) a property manager must produce records required under section (1) of this rule for inspection by the Agency as follows: (a) when the Agency makes a request for production of property management records, the property manager must provide such records within no less than five banking days. Leitch’s actions demonstrated incompetence in violation of ORS 696.301(12) (2017 Edition) which states that a licensee’s real estate license may be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license.

3.6 On October 31, 2018, property owner Brad Heil (Heil) emailed the Agency expressing concerns regarding his property manager Leitch.

3.7 On November 1, 2018, the Agency opened an investigation.

3.8 Leitch’s registered business name B Dalton Property Management was set to expire on October 1, 2018. The Agency’s licensing division sent renewal notices to Leitch on September 1st, 21st, and 28th, 2018. Additionally, Agency staff called Leitch on September 27, 2018, and left a voicemail message. Leitch made no effort to contact the Agency or renew her business name. On October 1, 2018, the register business name expired, causing Leitch’s property manager license to become inactive. An email notification was sent to Leitch that day and a warning notice advising Leitch not to conduct professional real estate activity was emailed to her on October 2, 2018.

3.9 During the Agency investigation Leitch indicated she received the Agency’s notices and messages about renewing her business name. She said she had misunderstood and thought it was regarding the Secretary of State business registration. Leitch’s Secretary of State business registry was set to expire on November 25, 2018.

3.10 Leitch rectified her licensing issues by creating a new registered business name with the Agency and attaching her license to it on November 2, 2018.

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3.11 Leitch admitted to conducting professional real estate activity during the thirty day period when her license was inactive. She stated it was, “business as usual.”

Violation: By engaging in management of rental real estate activity while her license was inactive Leitch violated ORS 696.301(3) as it incorporates OAR 863-024-0065(1) (1-1-2018) which states a property manager licensee whose license is on inactive status may not engage in the management of rental real estate.

3.12 On April 19, 2016, Leitch signed a property management agreement with Heil to manage his property located at 346 Skipanon Drive, Warrenton OR (subject property). The contract was set to expire after one year, on March 30, 2018. Heil stated a new property management agreement was never drawn up or signed. Leitch continued to manage the subject property after the expiration date of March 30, 2018.

Violation: By continuing to manage the subject property without an unexpired property management agreement, Leitch violated ORS 696.301(3) as it incorporates OAR 863-025-0020(1) (1-1-2018 Edition) which states a property manager must not engage in the management of rental real estate without a written, unexpired property management agreement between the owner and property manager.

3.13 The subject property was part of a homeowners association (HOA) and was subject to HOA fees. Responsibility for paying the HOA fees was not specifically addressed in the property management agreement.

3.14 The total amount due each month had been $36.00 through March 2018, and increased to $40.00 a month in April 2018.

3.15 On April 9, 2018, Heil emailed Leitch about the HOA account informing her that a $984.00 assessment was due along with another fee. Leitch did not remit this payment.

3.16 On October 8, 2018, Heil received notice that the HOA fees were past due for the subject property. No payments had been made from February 2018 through October 2018. Leitch was copied as a recipient on this email.

3.17 According to Heil, he said it was Leitch’s responsibility to pay the HOA fees and that it had been verbally agreed to.
Violation: By failing to address the HOA fees in the property management agreement Leitch violated ORS 696.301(3) as it incorporates OAR 863-025-0020(2)(b) which requires a property management agreement to include the duties and responsibilities of the property manager and the owner.

3.18 Back in November 17, 2016, Heil emailed HOA bookkeeper Teena Adams (Adams) asking that she add Leitch to any emails sent pertaining to the HOA account. Additionally, he authorized Leitch to make payments on his account.

3.19 On October 8, 2018, Heil forwarded Leitch a delinquency notice regarding the HOA fees and wrote, “Brenda, I have to get this paid ASAP.” Leitch responded to Heil on October 10, 2018. In her message, she wrote, “I will take care of it,” and added “This was Paid [sic] a while back along with the assessment. Three checks were written. I will check with my bank first. If not cashed, I will drive over new checks.”

3.20 Leitch told Agency Investigator/Auditor Frances Hlawatsch (Hlawatsch) that she had not been receiving the HOA statements and “did not know” she needed to pay them. She said all statements were sent to Heil. Leitch said she felt badly about what had happened and had recently issued payment to the HOA for the fees. She said she would take responsibility for any fees, meaning late charges. Leitch indicated she was waiting for Heil to determine how much was due and would send additional payment if he directed her to.

3.21 On October 10, 2018, Leitch issued payment of $3,515.86 for the HOA fees. According to Adams, the moorage dues still had not been paid, and there was still a past due balance of $1,019 remaining after the October payment.

3.22 The emailed documents Adams provided demonstrated that Leitch had been copied as a recipient on numerous attempts to collect the delinquent HOA dues.

Violation: By failing to make the HOA payments timely on behalf of the property owner, and causing late charges to be assessed on the account, Leitch violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c), and (f) (2017 Edition), which requires a property manager owes the property owner the following affirmative duties: (c) to exercise reasonable care and diligence; and (f) to be loyal to the owner by not taking action that is adverse or detrimental to the owner’s interest.
3.23 On October 12, 2018, Heil emailed Leitch, “I’m concerned I can’t reach you and
have had no response asking you to transfer all my rental funds.” His email indicated that Heil
had previously directed Leitch to transfer his funds into his personal Wells Fargo account and
she had not yet done so. He went on to write that he didn’t understand why she was not
responding to his calls or request.

3.24 Leitch had managed the subject property since May 2016. The subject property
had not been vacant during the timeframe Leitch managed it, and the rent due each month
was $1,000.00. Heil estimated that Leitch could be holding as much as $27,000.00 on his
behalf.

3.25 Heil never received a disbursement of rental funds or any owner statements
during the time Leitch managed the property.

Violation: By failing to provide owner statements to Heil Leitch violated ORS
696.301(3) as it incorporates OAR 863-025-0055(4) (1-1-18 Edition) which requires a property
manager to report in writing to each owner any change in the owner’s ledger. A monthly report
showing all receipts and disbursements for the owner’s account is sufficient under this section.

3.26 The property management agreement states that “disbursed monies are based
upon checks clearing in the Trust Account” and a “three-week waiting period upon receipt of
rents will be expected.”

3.27 Prior to October 2018, Heil had never asked for funds to be disbursed and had
not complained to Leitch about the lack of disbursement. Leitch stated Heil wanted his owner
funds in his account as a “savings” and did not want monthly disbursements. She said this
had been a verbal arrangement with Heil.

3.28 As of December 6, 2018, Leitch had not yet disbursed any owner funds to Heil.

3.29 The tenants (James and Janye Reuterdhal) had been living in the subject
property since October 2017. At the time of the move-in Leitch collected the $1,000 cash from
the tenants, however, Leitch did not have her receipt book with her to provide a receipt for
funds collected.

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Violation: Leitch failed to record the collection of move-in funds received from the tenants in violation of ORS 696.301(3) as it incorporates OAR 863-025-0065(5) (11-15-16 Edition) which requires a property manager to maintain a complete record of all funds or consideration received in the property manager’s property management activity. This record must show from whom the funds or other consideration was received, the date of the receipt, the place and date of deposit, and, the final disposition of the funds or other consideration.

Violation: By failing to provide tenants with a receipt for the $1,000 move in funds Leitch violated ORS 696.301(3) as it incorporates OAR 863-025-0060(1) (11-15-16) which requires a property manager to prepare a legible written receipt for any cash funds received under a property management agreement.

3.30 The Reuterdhals said Leitch did not have a lease agreement for them to sign at move-in and assured them she would create one. The tenants stated they requested a lease agreement on more than one occasion but Leitch never brought them one to sign. In her interview with Hlawatsch, Leitch claimed to have created a lease agreement with the tenants but that she had accidentally left the original executed document with the tenants. She claimed to have requested it be returned from the tenants but they never returned it.

Violation: By failing to either have tenants sign a lease agreement or failing to maintain a copy of the signed lease agreement Leitch violated ORS 696.301(3) as it incorporates OAR 863-025-0045(1) (11-15-16 Edition) which requires the property manager to file and maintain legible copies of all tenant rental or lease agreements for the time period required under OAR 863-025-0035.

3.31 In early November 2017, Mrs. Reuterdhal contacted Leitch to ask how she wanted them to remit their rent payment. Leitch drove to the subject property to collect the rent and Mrs. Reuterdhal went down to Leitch’s car to personally deliver the cash payment and collect a receipt. Leitch informed Mrs. Reuterdhal that she had again forgotten her receipt book and could not provide a receipt. She promised to mail the tenant the receipts for both October and November’s rent payments. Leitch never provided a receipt for the November rent payment.
Violation: By failing to record the November rent received from the tenant Leitch violated ORS 696.301(3) as it incorporates OAR 863-025-0065(5) (11-15-16 Edition) which requires a property manager to maintain a complete record of all funds or consideration received in the property manager's property management activity. This record must show from whom the funds or other consideration was received, the date of the receipt, the place and date of deposit, and, the final disposition of the funds or other consideration.

Violation: By failing to provide tenants with a receipt for November's rent Leitch violated ORS 696.301(3) as it incorporates OAR 863-025-0060(1) (11-15-16) which requires a property manager to prepare a legible written receipt for any cash funds received under a property management agreement.

3.32 In early December 2017 Mrs. Reuterdhals reached out to Leitch to arrange payment of rent. On December 11, 2017, Leitch drove to the subject property to pick up the rent payment. Again, she did not have her receipt book or lease with her but made promises to follow through soon.

3.33 In January 2018, the Reuterdhals made numerous attempts to contact Leitch by phone and text message to arrange payment of their rent. The Reuterdhals said they did not hear from Leitch for the entire month of January so they held onto their rent money waiting to hear from her.

3.34 In February 2018, the Reuterdhals tried to reach Leitch by phone and text as they had $2,000 in rent that was due (January and February 2018 rent). They did not hear from Leitch until the end of March 2018, when Leitch called Mrs. Reuterdhals and demanded to be paid $3,000 immediately. When Leitch came by to collect the $3,000 in cash for the three months of rent (January, February, and March rent), she again did not have her receipt book. Leitch never provided the receipt for the $3,000 payment of rent.

3.35 Mrs. Reuterdhals expressed her frustration to Leitch and asked if there was an easier way to remit rent payment. She asked if they could mail money orders or take cash to Leitch’s bank each month. Leitch said she would provide her banking information so the Reuterdhals could make deposits there.

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Violation: By failing to properly record the December, January, February and March rents received from the tenants Leitch violated ORS 696.301(3) as it incorporates OAR 863-025-0065(5) (11-15-16 Edition) and (8) (1-1-18 Edition) which requires a property manager to maintain a complete record of all funds or consideration received in the property manager's property management activity. This record must show from whom the funds or other consideration was received, the date of the receipt, the place and date of deposit, and, the final disposition of the funds or other consideration.

Violation: By failing to provide tenants with a receipt for the rent paid for December, January, February and March Leitch violated ORS 696.301(3) as it incorporates OAR 863-025-0060(1) (11-15-16, 1-1-2018 Edition) which requires a property manager to prepare a legible written receipt for any cash funds received under a property management agreement.

3.36 On April 9, 2018, Leitch sent a text message stating "need cash today," to the Reuterdhal's. Leitch suggested the tenants take cash to Wauna Federal Credit Union as they could do "guaranteed funds." They were confused as to what this meant, but assumed Leitch wanted them to deposit cash at the credit union and asked Leitch for an account number. Leitch did not respond or provide any account numbers for them to do this, so they held onto the April rent.

3.37 In May 2018, Leitch contacted Mr. Reuterdhal by phone and demanded $5,000.00. Leitch told him they were 5 months past due on rent and she would be issuing an eviction notice. Mr. Reuterdhal told Leitch they were ready to pay $2,000.00 and reminded her they had paid $3,000.00 in March. Leitch initially denied this and suggested that Mrs. Reuterdhal had been lying to her husband about paying rent and perhaps had a gambling problem. He asserted Leitch was wrong and they only owed $2,000 for April and May. Leitch denied this but eventually said she would "take $2,000 and call it even."

3.38 Mr. Reuterdhal paid the $2,000 by depositing cash into an account at Columbia Bank as directed by Leitch.
Violation: By failing to keep an accurate record of rents received and due Leitch demonstrated incompetence in violation of ORS 696.301(12) (2017 Edition) which states a licensee’s real estate license may be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license.

3.39 On November 2, 2018, during a phone interview with Hiawatsch, Leitch promised to provide her most recent completed clients’ trust and security deposit account reconciliations and supporting documents (Leitch indicated she was behind on reconciling and indicated the last month she had completed was August 2018). She promised the documents would be provided no later than November 5, 2018.

3.40 On November 6, 2018, the documents had not been provided, and OREA issued a formal demand for the documents. Leitch was directed to provide her August reconciliations and supporting documents no later than November 13, 2018. The demand was sent to Leitch by email, phone voice mail message and regular mail.

3.41 Leitch failed to submit the requested documents by the November 13, 2018 deadline. As of December 6, 2018, Leitch has not submitted the requested documents.

Violation: By failing to produce the requested documents, Leitch violated ORS 696.301(3) as it incorporates OAR 863-025-0035(2)(a), (c) (1-1-2018 Edition), which requires a property manager to produce records required under section (1) of this rule for inspection by the Agency as follows: (a) When the Agency makes a request for production of property management records, the property manager must provide such records within no less than five banking days and (c) failure to produce such records within the timelines stated in subsection (a) or (b) of this section is a violation of ORS 696.301. Leitch’s actions also demonstrate incompetence in violation of ORS 696.301(12) which states a licensee’s real estate license may be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license.

3.42 Leitch sent several emails to OREA with various reasons why she had been unable to provide the requested documents.
3.43 On November 20, 2018 OREA issued a subpoena for Leitch to provide records. Service for the subpoena was attempted on November 21, 2018 at 9:30 am at her main office location (1049 Nautical Drive, Hammond, OR, 97121) for B. Dalton Property Management. In attempting to serve the subpoena to Leitch, it was observed there was no sign identifying the location as a main office. The 1049 Nautical drive location is listed as the main office location for B. Dalton Property Management in the Agency licensing database.

Violation: By failing to have a sign designating the main office Leitch violated ORS 696.030 as it incorporates ORS 696.200(1)(c) (2017 Edition) which requires a property manager to designate the main office by a sign that contains the name under which the real estate licensee conducts professional real estate activity.

3.44 On November 28, 2018, Leitch was served the subpoena which directed her to provide the requested documents to the Agency no later than December 7, 2018. Leitch never provided the requested documents to the Agency as required by the subpoena.

3.45 On November 12, 2018, the Agency received communication relating to another property owner formerly contracted with Leitch. Property manager Carla Sowins (Sowins) forwarded an email (on November 12, 2018) to Hlawatsch containing multiple emails from property owner Polly Buckingham (Buckingham).

3.46 In her multiple emails Buckingham was reaching out to her new property manager Sowins expressing frustration about Leitch’s failure to respond to the notice or deliver the items requested as follows: owner records, keys, lease agreement and the tenant’s security deposit.

3.47 The emails indicated that Buckingham gave notice of termination to Leitch effective November 1, 2018. Buckingham wrote that she had sent Leitch the notice around or on September 27, 2018.

3.48 In Buckingham’s November 12, 2018, email she wrote she had “contacted Brenda a dozen times or more and have not heard back at all.”
3.49 Buckingham's property had been managed by Leitch since 2012. Buckingham initially received disbursements of rental funds directly into her bank account. When the bank closed its Astoria branch Leitch began to mail checks to Buckingham. The payments became very inconsistent with funds only arriving every 4-6 months. Buckingham said she would inquire with Leitch only to be met with delayed response and excuses. Buckingham said waiting months to receive her funds caused financial hardship for her.

3.50 Buckingham provided screenshots of texts to and from Leitch over the previous year and a half. The messages presented a pattern of Buckingham requesting rental funds to be disbursed and being met with delayed responses and excuses.

**Violation:** By failing to timely disburse rental income to the property owner Leitch violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c), (e) and (f) (2015 and 2017 Edition) which states (4) a real estate property manager owes the property owner the following affirmative duties: (c) to exercise reasonable care and diligence; (e) to act in a fiduciary manner in all matters relating to trust funds; and (f) to be loyal to the owner by not taking action that is adverse or detrimental to the owner’s interest.

3.51 Buckingham said she did recall some documents coming to her at tax time but she had not received her monthly owner statements.

**Violation:** By failing to send monthly owner statements to Buckingham, Leitch violated ORS 696.301(3) as it incorporates OAR 863-025-0055(4) (11-15-16, and 1-1-2018 Edition) which requires a property manager to report in writing to each owner any change in the owner’s ledger. A monthly report showing all receipts and disbursements for the account of the owner during the prior monthly period is sufficient under this section.

3.52 Buckingham was unsure if a lease agreement with the tenant was in place for her property managed by Leitch. In November 2013, Leitch had written a statement for Buckingham to use as proof of income as she could not find the lease agreement showing how much rent was being paid. In the statement, Leitch wrote she was "unable to find the copy of current lease.”
Violation: By failing to maintain and/or provide the lease to the property owner, Leitch demonstrated incompetence in violation of ORS 696.301(12) (2013 Edition) which states a licensee’s real estate license may be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license.

3.53 On November 15, 2018, Leitch responded to Buckingham, stating she would “be in touch with the accountant.” As of December 6, 2018, Leitch had not provided the documents, keys or funds to Buckingham.

Violation: By failing to provide the requested items to the property owner, Leitch demonstrated incompetence in violation of ORS 696.301(12) which states a licensee’s real estate license may be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license.

3.54 All of the above demonstrate Leitch’s incompetence in performing any act for which Leitch is required to hold a license.

Violation: ORS 696.301(12) (2015-2017 Editions) which states a licensee’s real estate license may be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license.

3.55 Leitch’s property management license was reprimanded in 2003. The stipulated order shows violations relating to clients’ trust accounts and the notice of the accounts to the bank. In 2010 Leitch’s license was reprimanded again and she was required to complete additional continuing education. This latest sanction included similar violations of failing to provide documents to the Agency, failing to produce an owner ledger, and failing to provide an owner with owner statements.

4.

4.1 The above violations are grounds for discipline pursuant to ORS 696.301.

4.2 Based on these violations, the Agency is revoking Leitch’s property manager license. A revocation is appropriate for violations of ORS 696.301(12).
4.3 A revocation of Leitch's property manager license is appropriate under ORS 696.396(2)(c)(B) and (D)(2017 Edition). According to ORS 696.396(2)(c)(B) and (D), the Agency may revoke a real estate license if the material facts establish a violation of a ground for discipline under ORS 696.301 that: B) exhibits incompetence in the performance of professional real estate activity; or (D) repeats conduct or an act that is substantially similar to conduct or an act for which the real estate licensee was disciplined previously.

4.4 The Agency reserves the rights to investigate or pursue additional complaints that may be received in the future regarding this licensee.

ORDER

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

Dated this 5th day of March, 2019.

OREGON REAL ESTATE AGENCY

[Signature]

Steven Strode
Real Estate Commissioner

Date of Service: 3/6/2019

NOTICE: You are entitled to judicial review of this order. Judicial review may be obtained by filing a petition for review within 60 days from the date of service of this order. Judicial review is pursuant to the provisions of ORS 183.482.
REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

SHERRY LEE HOYER

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Sherry Lee Hoyer (Hoyer) do hereby agree and stipulate to the following:

FINDINGS OF FACT

&

CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Hoyer was licensed as a property manager with First Rate Property Management, LLC.

1.2 In the summer of 2017 during a clients’ trust account audit, Hoyer relayed to the Agency that her bookkeeper had recently left and had stolen money from her clients’ trust account. On July 24, 2017, the Agency opened an investigation.

1.3 On July 25, 2017, Hoyer told Agency Investigator/ Auditor Meghan Lewis (Lewis) in the last few years she had employed 3 different bookkeepers. She entrusted her bookkeepers to complete the client trust account reconciliations, accept rent from tenants, make bank deposits and transfer funds. Hoyer did not have any written delegations allowing her bookkeepers to do these duties.

1) Violation: By failing to have a written delegation of authority for employees who performed monthly reconciliations Hoyer violated ORS 696.301(3) as it incorporates OAR 863-025-0015(6)(b) (5-15-14, and 11-15-16 Edition) which states the following delegations of a property manager’s authority must be in writing, dated, and signed by the property manager, and kept with written policies: (b) review, and approve reconciliations and receive and disburse funds under OAR 863-025-0025(23).

1 of 9 – Stipulated Final Order - Sherry Lee Hoyer
1.4 Agency records showed Hoyer had a clients’ trust account ending in #8441 and a security deposits account ending in #8468.

1.5 As of July 25, 2017, Hoyer had not completed April, May or June 2017 reconciliations for her clients’ trust account and security deposit account. Hoyer stated she didn’t think her records were accurate because her computer software wasn’t working right, and she couldn’t be sure entries into the check register and ledgers were current in order to complete the reconciliations.

(2) Violation: By failing to complete monthly reconciliations with the required three components for both the clients’ trust account and security deposits account for April and May 2017, Hoyer violated ORS 696.301(3) as it incorporates OAR 863-025-0025(20) and (21) (11-15-16 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, with the three required components which must be equal to and reconciled with each other. The reconciliation document must be signed and dated by the property manager. Hoyer also violated ORS 696.301(3) as it incorporates OAR 863-025-0035(1)(j)(11-15-16 Edition) which states records of the management of rental real estate are complete and adequate if records contain at least, (j) records of the reconciliation of each client trust account and security deposit account including the reconciliation document.

1.6 In regards to the missing money, Hoyer told Lewis in July 2017 that she was prepared to deposit money in her clients’ trust account ending in #8441 to replace what was missing. Hoyer presented a cashier’s check in the amount of $7,600.00 to Lewis. Hoyer was asked how she had identified the missing money in her clients’ trust account ending in #8441. She admitted she had not identified where and when the shortages occurred. Hoyer explained she compared the bank statements with the owners’ ledgers and it appeared there was as much as $8,000.00 less in the bank account than there should be.

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1.7 On August 1, 2017, Lewis received an email from Hoyer with an attached deposit slip for $7,023.31 showing the funds deposited into clients' trust account ending in #8441. Lewis requested supporting documentation showing how Hoyer determined the missing amount to be $7,023.31, and asking which owners' ledgers received part of this deposit. Hoyer was unable to provide adequate supporting documentation showing how she identified the missing money, and which owners' ledgers suffered loss of money and were then made whole by the deposit of $7,023.31.

(3) **Violation:** By failing to identify which owners' ledgers were missing funds, and subsequently which owners' ledgers received funds from the $7,023.31 deposit into clients' trust account ending in #8441 Hoyer violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(d) (e) (2017 Edition) which states (4) A real estate property manager owes the property owner the following affirmative duties: (c) To exercise reasonable care and diligence; (d) To account in a timely manner for all funds received from or on behalf of the owner; (e) To act in a fiduciary manner for all matters relating to trust funds. Hoyer also violated ORS 696.301(3) as it incorporates OAR 863-025-0065(4), and (5) (11-15-16 Edition) which states, (4) For each deposit made under ORS 696.241, a property manager must obtain a deposit slip and make a written notation of the owners identifying code on the deposit slip. As used in this rule, “deposit slip” means an independently verifiable third party document created by the third party as the time of the deposit, and (5) A property manager must maintain a complete record of all funds or other consideration received in the property manager’s property management activity. This record must show from whom the funds or other consideration was received, the date of the receipt, the place and date of deposit, and the final disposition of funds.
April 2017- June 2017 CTA ending in #8441 Reconciliations:

1.8 During the investigation Hoyer provided reconciliations to Lewis for review. One of the supporting documents in the reconciliation was the titled, "Detailed Property Statement", which Hoyer identified as the owner ledger. The owner ledger indicated inconsistencies with the bank statement and check register, for the date of funds received and deposited. For example, the April 2017 reconciliation showed, for funds received and deposited on April 3, 2017, the bank statement indicated $22,534.00, the check register indicated $26,759.00, and the owner ledger indicated, $6,334.00. For the May 2017 reconciliation, for funds received and deposited on May 1, 2017, the bank statement indicated $4,665.00, the check register indicated $4,705.00 and the owner ledger indicated, $28,533.00.

1.9 Additionally, the owner ledger was missing the following required elements: the owner’s name and identifying code the purpose of the funds and person who tendered the funds, check number, cash receipt number, or electronic tracking number to establish an audit trail, and the balance after each recorded entry.

1.10 The check registers lacked the following required identify information: for the receipt of funds, the purpose of the funds and identity of the person who tendered the funds, the purpose for any disbursement, and identifying code.

1.11 A review of the April through June 2017 monthly reconciliations for clients’ trust account ending in #8441 demonstrated that Hoyer had not maintained her required records in a format which readily enabled tracing and reconciling of her clients’ trust funds.

(4) Violation: By failing to include the required detail in the owner ledger, Hoyer violated ORS 696.301(3) as it incorporates OAR 863-025-0055(3)(a),(b)(A)(B)(C),(c),(d) (11-15-16 Ed.) which states, (3) All owner’s ledgers must contain the following information: (a) The owner’s name and identifying code; (b) For each deposit of funds; (A) The amount of the funds received, (B) The purpose of the funds and the identity of the person who tendered the funds; (C) The check number, cash receipt number, or electronica tracking number to establish an audit trail to the receipt of funds; (c) For each disbursement of funds; and (d) The balance after each recorded entry.
Violation: By failing to properly maintain the required records Hoyer violated ORS 696.301(3) as it incorporates ORS 696.280(1)(2015 Edition) which requires a property manager to maintain complete and adequate records of all professional real estate activity conducted by or through the real estate licensee. Hoyer also violated ORS 696.301(3) as it incorporates OAR 863-025-0035(1)(b)(d)(3)(b) (11-15-16 Edition) which states, (1) The property manager's records of the management of rental real estate are "complete and adequate" as required under ORS 696.280 if the records contain, as least, the following; (b) client trust account and security deposit account records; (d) A record for receipts and disbursements or check register maintained for each clients' trust account or security deposits account; (3) If a property manager uses a computerized system for creating, maintaining, and producing required records and reports; (b) Posting of owner ledgers, record of receipts and disbursements, tenant ledgers, and manipulation of information must be maintained in a format that will readily enable tracing and reconciling. Hoyer also violated ORS 696.301(3) as it incorporates OAR 863-025-0040(2)(a)(C),(b)(D), (c)(11-15-16 Ed.), which states, (2) A record of receipts and disbursements, or a check register must contain at least the following information, (a) for each receipts of funds: (C) The purpose of the funds and identity of the person who tendered the funds, (b) For each disbursement of funds: (D) The purpose of the disbursement, and (c) If there is more than one property in a clients' trust account, each entry for a receipt, deposit or disbursement must be identified with the applicable identifying code.

July- August 2017 Security Deposit Reconciliations

1.12 Hoyer’s July 2017 reconciliation for security deposit account ending in #8468 showed the following:

- Part I, Bank Balance: $69,145.49
- Part II, Check Register: $69,145.49
- Part III, Security Deposits: $66,330.00
- Part IV, Summary/Difference: $2,815.49, with a written explanation as possible uncleared checks or deposit made to the wrong account.

1.13 On August 16, 2017, Lewis received an email from Hoyer explaining they found a surplus in the security deposits account, and they had gone back six months and still couldn't identify the difference.
1.14 Hoyer's August 2017 reconciliation for security deposit account ending in #8468 showed the following:

- Part I: Bank Balance: $67,000.99
- Part II: Check Register: $67,900.99
- Part III: Security Deposits: $68,895.00
- Part IV: Summary/Difference: $994.01 with written explanation of possible transaction posted to the wrong account.

1.15 A review of both July and August 2017 reconciliations for the security deposit account show the out of balance amount changing from $2,815.49 more in the bank and check register compared to the total of the individual security deposits and fees held in the security deposits account (Part III) to a difference of $944.01 less in the bank account and check register compared to the total of individual security deposits and fees held in the security deposits account (Part III).

(6) Violation: By failing to identify and explain the differences and corrective action taken for the July and August 2017 reconciliations of security deposit account ending in #8468 Hoyer violated ORS 696.301(3) as it incorporates OAR 863-025-0025(22)(11-15-16 Ed.) which states a property manager must take corrective action to resolve all adjustments made in a reconciliation prior to the next reconciliation or to document the good faith efforts the property manager has taken to resolve the adjustment. Hoyer also violated ORS 696.890(4)(c), (d), (e)(2015 Edition), which states, (4) A real estate property manager owes the property owner the following affirmative duties: (c) To exercise reasonable care and diligence; (d) To account in a timely manner for all funds received from or on behalf of the owner; and (e) To act in a fiduciary manner for all matters relating to trust funds. Hoyer's conduct is grounds for discipline under ORS 696.301(12).

1.16 A review of four active property management agreements (with effective dates between August 5, 2012 and August 17, 2017) listed the management fee as a percentage of the monthly rent, however they did not designate when the management fees would be earned or paid.

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Additionally, all four property management agreements did not disclose Hoyer’s use and interest in her husband’s property maintenance company, Able Property Services (APS). Hoyer’s check registers indicate APS received payment for property maintenance services.

(7) **Violation:** By failing to disclose in the property management agreement when the management fees will be earned and paid, Hoyer violated ORS 696.301(3) as it incorporates OAR 863-025-0020(2)(f)(9-1-11, 9-1-12, 4-1-13, 5-15-14, 11-15-16 Editions.), which states, (2) A property management agreement must include, but is not limited to: (f) The management fees, application fees, screening fees, rebates, discounts, overrides and any other form of compensation to be received by the property manager for management of rental real estate including when such compensation is earned and when it will be paid.

(8) **Violation:** By failing to disclose in the property management agreement her pecuniary interest and use of Able Property Services Hoyer violated ORS 696.301(3) as it incorporates OAR 863-025-0020(2)(i)(9-1-11, 9-1-12, 4-1-13, 5-15-14, 11-15-16 Eds.), which states, (2) A property management agreement must include, but is not limited to: (i) Disclosure of the use of employees or a business in which the property manager has a pecuniary interest at the time of the execution of the property management agreement. Hoyer also violated ORS 696.890(3)(g) (2011 and 2013 Editions) and ORS 696.890 (4)(g) (2015 Edition) which states, (4) A real estate property manager owes the property owner the following affirmative duties: (g) To disclose in a timely manner to the owner any existing, or contemplated conflict of interest.

Hoyer’s conduct is grounds for discipline under ORS 696.301(12).

Agency records showed Hoyer’s clients’ trust account and security deposit account were held with Bank of the Cascades. On August 11, 2017, First Interstate Bank acquired Bank of the Cascades and became First Interstate Bank. As of October 27, 2017, Hoyer had failed to update the Agency licensing database with the new bank name as required.

(9) **Violation:** By failing to update the new bank name in the Agency’s licensing database Hoyer violated ORS 696.301(3) as it incorporates ORS 696.241(4)(a) (2015 Edition), which states, (2) within 10 business days from the date a clients’ trust account is opened , the licensee shall notify the Agency the account has been opened, and the notice must include, but not limited to: (a) The name of the bank where the account is located.
1.19 The above violations demonstrate Hoyer’s incompetence in performing an act for
Hoyer is required to hold a license.

(10) Violation: ORS 696.301(12) (2015 Edition) which states a licensee’s real estate license
may be disciplined if they have demonstrated incompetence or untrustworthiness in performing
any act for which the real estate licensee is required to hold a license.

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
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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8 of 9 – Stipulated Final Order- Sherry Lee Hoyer
ORDER

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

IT IS FURTHER ORDERED that Hoyer 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. Hoyer 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:  

SHERRY LEE HOYER

Date: 2-12-19

IT IS SO ORDERED:

DEAN OWENS
Acting Real Estate Commissioner

Date: 2-19-2019

Date of Service: 2-19-2019
REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

MARCUS ANDREW FOX

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Marcus Andrew Fox (Fox) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Fox was licensed as a principal broker with Keller Williams Realty Portland Premiere (KWRPP).

1.2 On October 3, 2016, the Agency sent an Educational Letter of Advice to Fox regarding advertising issues related to Fox’s real estate team, Fox Real Estate Group (FREG).

1.3 On or around March 1, 2017, the Agency received a complaint against Fox. The subject matter of the complaint did not warrant further investigation and was closed, however, the complaint contained email correspondence from FREG members indicating that advertising issues were still ongoing.

1.4 On March 16, 2017, the Agency opened an investigation. On November 11, 2017, the FREG website, FREG’s Facebook.com, Google +, and Twitter.com website were reviewed.

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FREG homepage website:

1.5 a. The registered business name displayed was Keller Williams Realty. The name did not contain the words “Portland Premiere” which is part of the registered business name, KWRPP.

(1) Violation: By displaying “Keller Williams Realty,” on the FREG’s website rather than the full registered business name of KWRPP, Fox violated ORS 696.301(3) as it incorporates OAR 863-015-0125(4) (11-15-16 Edition) which requires the registered business name of the principal real estate broker to be prominently displayed, immediately noticeable and conspicuous in all advertising.

1.6 b. Three Keller Williams registered businesses names were displayed in the FREG’s logo on the website: Keller Williams Realty Portland Premiere, Vancouver Premiere Partners and Keller Williams Eugene & Springfield. Fox’s principal broker license was only associated with KWRPP.

(2) Violation: By displaying registered business names on the FREG’s website that Fox’s license was not associated with Fox violated ORS 696.301(3) as it incorporates OAR 863-015-0125(11)(c)(11-15-16 Edition). OAR 863-015-0125(11) allows a licensee to use the term “team” or “group” to advertise if: (c) the licensee members of the team or group are associated with the same principal broker.

1.7 c. Two FREG property listings were randomly chosen from the FREG website (328 SE Maple Cir., Gresham, OR and 203 NE Oak View Ln., Estacada, OR). Both property listings advertise FREG logos that included two registered business names, “Vancouver Premiere Partners” and “Eugene/Springfield.” Fox’s registered business name KWRPP was not immediately noticeable nor prominently displayed on either listing.

(3) Violation: By advertising registered business names that Fox’s license was not associated with on the two listings for 328 SE Maple Cir, and 203 NE Oak View Ln., Fox violated ORS 696.301(3) as it incorporates OAR 863-015-0125(11)(c)(11-15-16 Edition). OAR 863-015-0125(11) allows a licensee to use the term “team” or “group” to advertise if: (c) the licensee members of the team or group are associated with the same principal broker.
**Violation:** By failing to prominently display KWRPP in the two property listings, Fox violated ORS 696.301(3) as it incorporates OAR 863-015-0125(4) (11-15-16 Edition), which requires the registered business name of the principal real estate broker to be prominently displayed, immediately noticeable and conspicuous in all advertising.

**FREG’s “Meet Our Team” webpage:**

1.8 a. The webpage contained broker advertising for licensees who were not affiliated with KWRPP, Bobbi Jo Crandall, Amanda Switzer, and Jenny Trank. Both Bobbi Jo Crandall and Amanda Switzer were associated with Keller Williams Realty, Eugene & Springfield. Jenny Trank’s license was associated with Portland Premiere Referrals.

**Violation:** By advertising brokers Bobbi Jo Crandall, Amanda Switzer and Jenny Trank as part of FREG, Fox violated ORS 696.301(3) as it incorporates OAR 863-015-0125(11)(c) (11-15-16 Edition). OAR 863-015-0125(11) allows a licensee to use the term “team” or “group” to advertise if: (c) the licensee members of the team or group are associated with the same principal broker.

1.9 b. Bobby Jo Crandall was advertised as Bobbi Jo Crandall, however, her licensed name with the Agency is Barbara Jo Stevenson-Crandall. Laura Marcano was advertised as Laura Marcano, yet her licensed name with the Agency is Laura Mercedes Estrada-Marcano.

**Violation:** By using the names Bobby Jo Crandall and Laura Marcano, instead of their licensed names of Barbara Jo Stevenson-Crandall and Laura Mercedes Estrada-Marcano, Fox violated ORS 696.301(3) as it incorporates OAR 863-015-0125(3)(a), and (11)(d) (11-15-2016 Edition). OAR 863-015-0125(3) requires advertising that includes the licensee’s name must:

1.10 c. Troy Redinger (Redinger) was listed as a broker on the webpage. Redinger’s profile linked to the “Meet Our Team,” webpage stated, “Troy is licensed in Washington and Oregon.” Redinger did not hold an active broker license in Oregon.

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(7) **Violation:** By stating Redinger was licensed in the State of Oregon, when Redinger did not hold an active real estate broker license in Oregon, Fox violated ORS 696.301(3) as it incorporates OAR 863-015-0125(2)(d), and (11)(e) (11-15-16 Edition). Per OAR 863-015-0125: (2)(d) Advertisements may not state or imply that the licensee is qualified or has a level of expertise other than as currently maintained by the licensee. (11) A licensee may use the term “team” or “group” to advertise if: (e) If any non-licensed individuals are named in the advertising, the advertising must clearly state which individuals are real estate licensees and which ones are not.

1.11 d. The advertising for the team included the names Denny Le and Mary Montgomery. It did not indicate if Denny Le and Mary Montgomery were licensed in Oregon or unlicensed.

(8) **Violation:** By failing to indicate whether Denny Le or Mary Montgomery were real estate licensees or non-licensed individuals, Fox violated ORS 696.301(3) as it incorporates OAR 863-015-0125(2)(a), and (11)(e) (11-15-16 Edition). OAR 863-015-0125: (2)(a) Advertising must be identifiable as advertising of a real estate licensee. (11) A licensee may use the term “team” or “group” to advertise if: (e) If any non-licensed individuals are named in the advertising, the advertising must clearly state which individuals are real estate licensees and which ones are not.

FREG's Facebook.com webpage:

1.12 a. Fox's registered business name, KWRPP was not prominently displayed and immedicable noticeable. Further down the homepage, the registered business name was partially displayed as "Keller Williams Realty Portland," rather than the full registered business name of KWRPP.

(9) **Violation:** By failing to display the full registered business name that was immediately noticeable and conspicuous on the FREG's Facebook.com page, Fox violated ORS 696.301(3) as it incorporates OAR 863-015-0125(4) (11-15-16 Edition) which requires the registered business name of the principal real estate broker to be prominently displayed, immediately noticeable and conspicuous in all advertising.
1.13  b. On November 16, 2017, a post was made stating, “FOX REAL ESTATE GROUP HAS EXPANDED INTO BEND OR!” and “We are excited to announce our new partner Brian Garrett in Bend, OR. We are happy to be in business with you. Welcome to the team.” Fox included Brian Garrett (Garrett) as a member of FREG, but Garrett’s broker license was associated with Keller Williams Central Oregon rather than KWRPP. Fox’s registered business name, KWRPP did not appear on the Facebook post.

(10) Violation: By advertising Garrett of Keller Williams Central on Facebook.com as part of the FREG, Fox violated ORS 696.301(3) as it incorporates OAR 863-015-0125(11)(c) (11-15-16 Edition). OAR 863-015-0125(11) allows a licensee to use the term “team” or “group” to advertise if: (c) the licensee members of the team or group are associated with the same principal broker.

(11) Violation: By omitting KWRPP on the advertisement announcing Garrett as part of FREG, Fox violated ORS 696.301(3) as it incorporates ORS 696.026(7)(b) (2015 Edition) and OAR 863-015-0125(4) (11-15-16 Edition). ORS 696.026(7) If a principal real estate broker has a registered business name: (b) All professional real estate activity conducted by a real estate licensee associated with the principal broker must be conducted under the registered business name and registered business name of the principal real estate broker. OAR 863-015-0125(4) requires the registered business name to be prominently displayed, immediately noticeable and conspicuous in all advertising.

FREG’s Google+ webpage:

1.14  a. Fox’s registered business name KWRPP was not displayed. A property listing sample reviewed for 0 NE 1117th Ave., Portland OR on the website did not display KWRPP.

(12) Violation: By failing to display the registered business name on the FREG’s Google+ website and property listing on the website, Fox violated ORS 696.301(3) as it incorporates ORS 696.026(7)(b) (2015 Edition) and OAR 863-015-0125(4) (11-15-16 Edition). ORS 696.026(7) If a principal real estate broker has a registered business name: (b) All professional real estate activity conducted by a real estate licensee associated with the principal broker must be conducted under the registered business name and registered business name of the principal real estate broker. OAR 863-015-0125(4) requires the registered business name to be prominently displayed, immediately noticeable and conspicuous in all advertising.
FREG’s Twitter.com webpage:

1.15  a. Fox's registered business name, KWRPP was not displayed.
1.16  b. FREG's Twitter page shows 14 “tweets” posted between November 2, 2017 and December 2, 2017, where FREG advertised new property listings or open house events. Each “tweet” displayed the FREG logo, but did not contain KWRPP.

(13) **Violation:** By failing to display the registered business name on the FREG Twitter.com webpage and fourteen advertisements, Fox violated ORS 696.301(3) as it incorporates ORS 696.026(7)(b) (2015 Edition) and OAR 863-015-0125(4) (11-15-16 Edition). ORS 696.026(7) If a principal real estate broker has a registered business name: (b) All professional real estate activity conducted by a real estate licensee associated with the principal broker must be conducted under the registered business name and registered business name of the principal real estate broker. OAR 863-015-0125(4) requires the registered business name to be prominently displayed, immediately noticeable and conspicuous in all advertising.

1.17  c. Two property listings advertised on the Twitter page for the following properties: 1104 Hadley Rd., Newberg, OR and 14331 S. Morency Ln., Oregon City, omit “Portland Premiere” portion from Fox's registered business name, KWRPP. The registered business name on these two listings was not immediately noticeable and prominently displayed.

(14) **Violation:** By failing to prominently display the full registered business name on the two listings for 1104 Hadley Rd, and 14331 S Morency Ln., advertised on the twitter webpage Fox violated ORS 696.301(3) as it incorporates OAR 863-015-0125(4) (11-15-16 Edition) which requires the registered business name to be prominently displayed, immediately noticeable and conspicuous in all advertising.

2. 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.

ORDER

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

IT IS SO STIPULATED: IT IS SO ORDERED:

MARCUS ANDREW FOX

DEAN OWENS
Acting Real Estate Commissioner

Date 2/15/19

Date 02-21-2019

Date of Service: 2/24/2019
REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Broker License
of
MIMI MCCASLIN

STIPULATED FINAL ORDER

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

FINDINGS OF FACT

McCaslin was licensed as a broker with Luxe Platinum Properties. McCaslin’s license expired on April 1, 2018 and was not renewed until May 16, 2018. During the time McCaslin’s license was expired, April 1, 2018 to May 15, 2018, 45 days, McCaslin continued conducting professional real estate activity as if actively licensed.

CONCLUSION OF LAW

By conducting professional real estate activity over the course of 45 days after McCaslin’s license expired and before renewing it, McCaslin 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.

1 of 2 – Stipulated Final Order- Mimi McCaslin
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, McCaslin 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:                      IT IS SO ORDERED:

MIMI MCCASLIN                             Dean Owens

Date 2/12/2019                             Acting Real Estate Commissioner

Date 02-21-2019                           Date of Service: 2/21/2019
REAL ESTATE BOARD
REGULATION DIVISION REPORT
April 1, 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: Sue Davenhill, Denise Lewis
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

<table>
<thead>
<tr>
<th>Average # in this Status at the time</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tbody>
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<td>33</td>
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<tr>
<td>Pending Assignment</td>
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<td>4</td>
<td>24</td>
<td>16</td>
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<td>Investigation</td>
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<td>52</td>
<td>49</td>
<td>50</td>
<td>38</td>
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<tr>
<td><strong>PENDING &amp; INVESTIGATION</strong></td>
<td>50</td>
<td>56</td>
<td>73</td>
<td>66</td>
<td>64</td>
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<tr>
<td>(# of Investigators)</td>
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<td>7</td>
<td>7</td>
<td>7</td>
<td>7*</td>
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<tr>
<td>Admin Review</td>
<td>27</td>
<td>33</td>
<td>28</td>
<td>40</td>
<td>35</td>
</tr>
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* One investigator on medical leave.

Selina Barnes presented “ATTENTION: Violation Prevention” in Florence on March 14th and in Eugene/Springfield on March 22nd. She will also be giving the presentation following this board meeting.

For information on investigations resulting in administrative actions, please review the “Administrative Actions Summary” section of the Board packet.
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 remains high and suggests this year may equal or exceed the filing volume seen last year. Of the nearly fifty filings made with the Land Development Division in February, eighteen were new condominiums (seeking approval so the declarant could record a new condominium).
Legislative Summary 2019 Regular Session

Agency Budget Bill

SB 5536 A – The budget bill was passed by the Senate with an amendment that increased biennial limitation by $50,000. The increased limitation is intended to provide additional resources related to a change to Key Performance Measure (KPM) 2. KPM 2 currently targets completing 60% of investigations within 150 days. The revised target would be completing 80% of investigations within 150 days.

Status: Referred to House Ways and Means Committee on 3/19. No hearing scheduled at this time.

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: This bill has passed from the House without amendment and is currently in the Senate Business and Government Committee. No hearing scheduled at this time.

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. Hearing was held on 3/14, and the -2 amendment was introduced. There is a -3 amendment in process as well, which would be in additional to the -2. The -3 amendment was generated after the hearing and will be introduced at the work session. No fiscal impact.

Status: In the House Committee on Judiciary, work session scheduled for 3/26.

HB 2486 - This bill relates to the requirement of condominium unit owners associations to file annual reports with the agency. As background, every association is supposed to file an annual report with the agency. That report includes contact information for the chairperson, secretary, and agent. It also must be signed by two of the three, with one of them being the agent. This bill will change the signature requirement on annual reports from two signatures to one and make any changes necessary to ensure such annual reports can be filed digitally. These changes facilitate conversion of the annual reporting to an online format. No fiscal impact.
Status: In the House Committee on Judiciary, hearing held on 2/5, and work session scheduled for 3/26.

**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: In the House Committee on Judiciary. Hearing held on 3/14, work session scheduled for 3/26.

There are many bills this session related to affordability and availability of housing, and the agency is monitoring this legislation to determine future impacts. The first 2019 Legislative Session deadline if March 29th. By this point, all bills must have been scheduled for a work session or they become “dead bills”. This deadline is upcoming but will have occurred by the time of the Board meeting, so a further update will be presented at the meeting.
REAL ESTATE BOARD
ADMINISTRATIVE SERVICES DIVISION REPORT
April 1, 2019

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

Customer Service Manager: Madeline Alvarado
Compliance Specialist: Tami Schemmel
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 $8.9 million and projected expenses are at $7.469 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 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 will continue to communicate with licensees affected by this new education requirement as well as publishing information in the OREN-J.

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

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
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<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
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<tbody>
<tr>
<td>Eligible to Renew</td>
<td>423</td>
<td>344</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Failed to Renew</td>
<td>26</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Renewed</td>
<td>94%</td>
<td>96%</td>
<td></td>
<td></td>
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</table>
## Licensing Statistics

### Total Licensee Counts by Month:

<table>
<thead>
<tr>
<th>Individuals (Persons)</th>
<th>Jan-19</th>
<th>Feb-19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Broker – Total</strong></td>
<td>15,985</td>
<td>16,051</td>
</tr>
<tr>
<td>Active</td>
<td>14,110</td>
<td>14,107</td>
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<tr>
<td>Inactive</td>
<td>1,875</td>
<td>1,944</td>
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<tr>
<td><strong>Principal Broker - Total</strong></td>
<td>6,455</td>
<td>6,448</td>
</tr>
<tr>
<td>Active</td>
<td>6,046</td>
<td>6,029</td>
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<tr>
<td>Inactive</td>
<td>409</td>
<td>419</td>
</tr>
<tr>
<td><strong>ALL BROKERS Total</strong></td>
<td>22,440</td>
<td>22,499</td>
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<tr>
<td>Active</td>
<td>20,156</td>
<td>20,136</td>
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<tr>
<td>Inactive</td>
<td>2,284</td>
<td>2,363</td>
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<tr>
<td><strong>Property Manager - Total</strong></td>
<td>919</td>
<td>915</td>
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<tr>
<td>Active</td>
<td>792</td>
<td>788</td>
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<tr>
<td>Inactive</td>
<td>127</td>
<td>127</td>
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<tr>
<td><strong>MCC Salesperson</strong></td>
<td>26</td>
<td>24</td>
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<tr>
<td>MCC Broker</td>
<td>1</td>
<td>1</td>
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<tr>
<td><strong>TOTAL INDIVIDUALS</strong></td>
<td>23,386</td>
<td>23,439</td>
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<tr>
<td>Active</td>
<td>20,975</td>
<td>20,949</td>
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<tr>
<td>Inactive</td>
<td>2,411</td>
<td>2,490</td>
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### Facilities (Companies)

<table>
<thead>
<tr>
<th>Facilities (Companies)</th>
<th>Jan-19</th>
<th>Feb-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>REMO</td>
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<td>6</td>
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<tr>
<td>Registered Business Name (RBN)</td>
<td>3,922</td>
<td>3,907</td>
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<tr>
<td>Registered Branch Office (RBO)</td>
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<td>Escrow Organization</td>
<td>61</td>
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<tr>
<td>Escrow Branch</td>
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<tr>
<td>PBLN</td>
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<td>NA</td>
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<tr>
<td>PMLN</td>
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<tr>
<td>CEP</td>
<td>289</td>
<td>295</td>
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<tr>
<td>MCC Operator</td>
<td>25</td>
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<td><strong>TOTAL FACILITIES</strong></td>
<td>5,198</td>
<td>5,184</td>
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### New Licenses by Month:

<table>
<thead>
<tr>
<th>Individuals (Persons)</th>
<th>Jan-19</th>
<th>Feb-19</th>
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<tbody>
<tr>
<td>Broker</td>
<td>191</td>
<td>175</td>
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<tr>
<td>Principal Broker</td>
<td>15</td>
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<tr>
<td><strong>TOTAL BROKERS</strong></td>
<td>206</td>
<td>182</td>
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<tr>
<td>Property Manager</td>
<td>7</td>
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<tr>
<td>MCC Salesperson</td>
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<tr>
<td>MCC Broker</td>
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<tr>
<td><strong>TOTAL INDIVIDUALS</strong></td>
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<td>193</td>
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### Continuing Education Provider (CEP)

<table>
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<tr>
<th>Facilities (Companies)</th>
<th>Jan-19</th>
<th>Feb-19</th>
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<tbody>
<tr>
<td>Continuing Education Provider (CEP)</td>
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<tr>
<td>REMO</td>
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<tr>
<td>Registered Business Name</td>
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<td>Registered Branch Office</td>
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<td>PBLN</td>
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<td>Escrow Organization</td>
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<td>MCC Operator</td>
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<tr>
<td><strong>TOTAL FACILITIES</strong></td>
<td>66</td>
<td>36</td>
</tr>
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</table>

### TOTAL INDIVIDUALS & FACILITIES

<p>| TOTAL INDIVIDUALS &amp; FACILITIES | 28,584 | 28,623 |</p>
<table>
<thead>
<tr>
<th></th>
<th>Total</th>
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<tbody>
<tr>
<td>Broker</td>
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<tr>
<td>Property Manager</td>
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<tr>
<td>Principal Broker</td>
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<tr>
<td>Reactivation</td>
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### Pass Rates

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<tr>
<th>First Time Pass Rate Percentage</th>
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<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td>Broker State</td>
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<td>64</td>
<td>61</td>
<td>58</td>
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<tr>
<td>Broker National</td>
<td>78</td>
<td>74</td>
<td>73</td>
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<tr>
<td>Principal Broker State</td>
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<td>77</td>
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<tr>
<td>Property Manager</td>
<td>59</td>
<td>64</td>
<td>69</td>
<td>67</td>
<td>63</td>
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</table>
### 2019 Data

#### New Applications

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<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Brokers</td>
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<td>587</td>
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<tr>
<td>Principal Brokers</td>
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### % On Time

| % On Time | 80.3% | 77.9% |       |       |       |       |       |       |       |       |       | 79.1% |

### % Late

| % Late | 7.3% | 5.8% |       |       |       |       |       |       |       |       |       | 6.6%  |

### % Failed to Renew (Lapsed)

| % Failed to Renew (Lapsed) | 12.4% | 16.2% |       |       |       |       |       |       |       |       |       | 14.2% |

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<tr>
<td>Lapse</td>
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<td>10</td>
<td>5</td>
<td>8</td>
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<td>2</td>
<td>7</td>
<td>9</td>
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<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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<td>969</td>
<td>975</td>
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<td>949</td>
<td>946</td>
<td>957</td>
<td>978</td>
<td>973</td>
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<td>On Time</td>
<td>Active</td>
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<td>704</td>
<td>730</td>
<td>742</td>
<td>757</td>
<td>740</td>
<td>717</td>
<td>721</td>
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<td>52</td>
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<td>Late</td>
<td>Active</td>
<td>43</td>
<td>31</td>
<td>52</td>
<td>55</td>
<td>58</td>
<td>41</td>
<td>43</td>
<td>50</td>
<td>46</td>
<td>45</td>
<td>53</td>
<td>36</td>
</tr>
<tr>
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<td>Inactive</td>
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<td>12</td>
<td>6</td>
<td>10</td>
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<td>14</td>
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<td>15</td>
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<td>13</td>
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<tr>
<td>Total Renewed</td>
<td>816</td>
<td>807</td>
<td>845</td>
<td>862</td>
<td>895</td>
<td>845</td>
<td>829</td>
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<td>854</td>
<td>838</td>
<td>799</td>
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<td>Lapse</td>
<td>127</td>
<td>108</td>
<td>124</td>
<td>113</td>
<td>139</td>
<td>104</td>
<td>117</td>
<td>119</td>
<td>124</td>
<td>135</td>
<td>109</td>
<td>111</td>
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</table>

| % 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

<table>
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<tr>
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<td>Average Wait Time</td>
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<td>Maximum Wait Time</td>
<td>16:06</td>
<td>9:32</td>
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<table>
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<td>Call Count</td>
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<td>2263</td>
<td>2063</td>
<td>2113</td>
<td>2084</td>
<td>1837</td>
<td>2049</td>
<td>1824</td>
<td>2153</td>
<td>1828</td>
<td>1738</td>
<td>2024</td>
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<table>
<thead>
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<tr>
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<td>2065</td>
<td>1766</td>
<td>1963</td>
<td>1939</td>
<td>1809</td>
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<td>1893</td>
<td>1968</td>
<td>1711</td>
<td>2051</td>
<td>1938</td>
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# Real Estate Agency AY19 Budget – Biennium to Date (projections through 6/30/19)

<table>
<thead>
<tr>
<th></th>
<th>Legislative Approved Budget</th>
<th>Expected Total Expenditures for Biennium (current)</th>
<th>Expected Remaining Limitation at end of Biennium</th>
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<tr>
<td><strong>Total Personal Services</strong></td>
<td>6,121,432</td>
<td>6,199,053</td>
<td>(77,621)</td>
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<tr>
<td><strong>Services &amp; Supplies and Capital Outlay Detail:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-State Travel &amp; Out-of-State Travel</td>
<td>95,146</td>
<td>113,565</td>
<td>(18,419)</td>
</tr>
<tr>
<td>Employee Training</td>
<td>35,640</td>
<td>21,879</td>
<td>13,761</td>
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<tr>
<td>Office Expenses</td>
<td>113,231</td>
<td>38,493</td>
<td>74,738</td>
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<tr>
<td>Telecom/Tech Services &amp; Support</td>
<td>29,024</td>
<td>51,887</td>
<td>(22,863)</td>
</tr>
<tr>
<td>State Government Services</td>
<td>205,532</td>
<td>203,878</td>
<td>1,654</td>
</tr>
<tr>
<td>Data Processing</td>
<td>85,296</td>
<td>104,148</td>
<td>(18,852)</td>
</tr>
<tr>
<td>Publicity &amp; Publications</td>
<td>55,374</td>
<td>710</td>
<td>54,664</td>
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<tr>
<td>Professional Services &amp; IT Professional Services</td>
<td>178,828</td>
<td>220,229</td>
<td>(41,401)</td>
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<tr>
<td>Attorney General Legal Fees</td>
<td>254,553</td>
<td>98,728</td>
<td>155,825</td>
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<tr>
<td>Employee Recruitment</td>
<td>7,464</td>
<td>250</td>
<td>7,214</td>
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<tr>
<td>Dues &amp; Subscriptions</td>
<td>9,224</td>
<td>5,015</td>
<td>4,209</td>
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<tr>
<td>Facilities Rent &amp; Taxes</td>
<td>245,290</td>
<td>228,678</td>
<td>16,612</td>
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<td>Facilities Maintenance</td>
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<td>1,771</td>
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<td>Agency Program Related S&amp;S</td>
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<td>250</td>
<td>39,546</td>
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<tr>
<td>Other Services &amp; Supplies</td>
<td>116,647</td>
<td>155,185</td>
<td>(38,538)</td>
</tr>
<tr>
<td>Expendable Property $250-$5000</td>
<td>28,081</td>
<td>6,615</td>
<td>22,466</td>
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<tr>
<td>IT Expendable Property</td>
<td>157,006</td>
<td>19,610</td>
<td>137,396</td>
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<tr>
<td><strong>Total Services &amp; Supplies and Capital Outlay</strong></td>
<td>1,660,486</td>
<td>1,270,890</td>
<td>389,596</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>7,781,918</td>
<td>7,469,943</td>
<td>311,975</td>
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