Notice of Agenda
OREGON REAL ESTATE BOARD
Regular Meeting Agenda
Monday, February 1, 2016
Oregon Real Estate Agency
Equitable Center, Suite 100
530 Center St. NE
Salem, Oregon 97301

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

I. BOARD BUSINESS – Chair Hermanski
   A. Call to Order
   B. Roll Call/Chair Hermanski comments
   C. Approval of the Agenda and Order of Business
   D. Approval of 12.7.15, regular meeting minutes
   E. Date of the Next Meeting: 4.4.16, Florence, Oregon, location to be determined.

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

III. REQUEST FOR WAIVERS. Waiver Log.
    A. Tim Rist requests experience waiver for principal broker license.

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER– Approval of petition log. None.

V. BOARD ADVICE/ACTION – Commissioner Bentley.
    A. 2017 Legislative Concepts
    B. Licensing fee increase discussion
VI. NEW BUSINESS – Commissioner Bentley.
   A. 2016 Governor’s Food Drive

VII. COMMUNICATIONS – Administrative Actions Summary

VIII. REPORTS
   A. Commissioner Gene Bentley
   B. Agency division reports-Deputy Commissioner Dean Owens
      1. Regulation Division – Selina Barnes
      2. Land Development Division – written report by Michael Hanifin
      3. Education, Business and Licensing Services Division – Dean Owens

IX. ANNOUNCEMENTS – Next board meeting 4.4.16, Florence, OR, location to be determined.

X. ADJOURNMENT

Interpreter services or auxiliary aids for persons with disabilities are available upon advance request.
AGENDA ITEM NO. 1. D.

Members present: Chris Hermanski, Chair
Coni Rathbone, Vice-Chair
Alex MacLean
Marcia Edwards
Dave Koch
Joann Hansen

Members absent: Jef Farley
Lawnae Hunter
Pat Ihnat

Staff present: Gene Bentley, Commissioner
Dean Owens, Deputy Commissioner
Selina Barnes, Regulations Division Manager
Leandra Hagedorn, Board Liaison

Guests present: Sandra Thomas, Century 21 Best Realty
Vicki Whelchel, Prudential Seaboard Properties
Susan Nelson, El Edwards Realty II, Inc.
Eldon Gossett, OR Coast Realty
Stacy Ballard, Keller Williams Realty
Rachel Richardson, Rachel Richardson LLC
Cameron McMillen, El Edwards Realty II, Inc.
Ann Parker, Century 21 Best Realty
Dan Wooldridge, Oregon Professional RE Group
Shannon Mason, Oregon Professional RE Group
Teresa Zamora, Oregon Professional RE Group
Debbie Penny, All State Real Estate
Edward Meyer, North Point Inc.
Kristine Thurman, El Edwards Realty II, Inc.
Raymond Penny, All State Real Estate
Judith Smith, Pacific Properties
Sheryl Van Elsberg, All State Real Estate
James Berg, North Point Inc.
Gloria Eide, Century 21 Agate Gold Beach
Sandra Brace, All State Real Estate
Mark Hodgins, El Edwards Realty II, Inc.
Aura Davis, Oregon Professional RE Group
Brooke Yussim, Oregon Bay Properties, LLC.
Cynthia Johnson, Johnson Group Real Estate, LLC
Mary Stansell, Century 21 Agate Gold Beach
Glenda Ramer, Century 21 Best Realty
Angela Gardner, Seashore Real Estate Inc.
Randy Hoffine, Pacific Properties
Linda Jennings, Copper Tree Realty
Earlene Brown, Prudential Seaboard Properties
Herbert Yussim, Oregon Bay Properties, LLC
I. BOARD BUSINESS
   A. Call to Order. Chair Hermanski called the meeting to order at 10 a.m.
   B. Guest Introductions/Commissioner Bentley. Introduction of Dave Koch, new REA board member and Robert Otero, new DAS assistant policy and budget analyst.
   C. Roll Call/Chair Hermanski comments. Chair Hermanski asked the board members to introduce themselves.
   D. Approval of the Agenda and Order of Business

MOTION TO APPROVE AGENDA AND ORDER OF BUSINESS AS SUBMITTED BY MARCIA EDWARDS
SECOND BY DAVE KOCH
MOTION CARRIED BY UNANIMOUS VOTE

E. Approval of 10.5.15, regular meeting minutes

MOTION TO APPROVE 10.5.15 REGULAR MEETING MINUTES (CORRECTION TO AGENDA ITEM I.B., GUEST INTRODUCTIONS-COMMISSIONER BENTLEY, SHOULD READ ARELLO-(ASSOCIATION OF REAL ESTATE LICENSING LAW OFFICIALS), WHICH IS A NETWORK (STRIKE ORGANIZATION) BY CONI RATHBONE
SECOND BY ALEX MACLEAN
MOTION CARRIED BY UNANIMOUS VOTE

F. Date of Next Meeting: 2.1.16, to begin at 10am at the Oregon Real Estate Agency, Equitable Center, Suite 100, 530 Center St. NE, Salem, OR 97301
G. Board Member Housekeeping Items/Deputy Commissioner Owens. Deputy Commissioner Owens summarized the expectations of advisory board members appointed by the Governor. He also advised the board members to contact the Agency if they have any questions or need further information regarding their role as board members.

II. PUBLIC COMMENT
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   • If no one wishes to comment, the next scheduled agenda item will be license.
III. REQUESTS FOR WAIVERS – Waiver Request Log
   A. Tim Rist requests experience requirement waiver for a principle broker license. Mr. Rist appeared and explained the his request was based on his qualifications of experience and current high review for his customer service. He also explained that although he is very accomplished in the area of sales, he realizes the importance of developing a team with a broad area of expertise. Discussion: Dave Koch responded that dispute resolution is key and felt that Mr. Rist should gain more experience in this area. Alex MacLean responded that he appreciated Mr. Rists enthusiasm and encouraged him to gain more knowledge and expertise. Chair Hermanski also encouraged Mr. Rist to take more time to gain seasoned experience.

MOTION TO DENY THE REQUEST FOR WAIVER SUBMITTED BY TIM RIST BY DAVE KOCH
SECOND BY CONI RATHBONE
MOTION CARRIED BY UNANIMOUS VOTE

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER – Approval of petition log.
   A. Oregon State Police, Claire McGrew, Asst. Chief Deputy, Fire & Safety Education Manager and Stephanie Stafford to appear in person. Ms. McGrew and Ms. Stafford explained OSFM (Oregon State Fire Marshall) has expertise in providing training and technical assistance to real estate agents, property managers, and home inspectors on smoke alarm laws for more than 20 years and on the newer carbon monoxide alarm laws since 2010. Chair Hermanski asked Ms. McGrew and Ms. Stafford if they were aware of the record keeping requirements and they responded that they were aware. Dave Koch inquired as to whether OSFM anticipated an outreach. Ms. Stafford responded they intended to reach out to property managers and provide CE in various areas of the state.

MOTION TO APPROVE THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER SUBMITTED BY OREGON STATE FIRE MARSHALL BY CONI RATHBONE
SECOND BY JOANN HANSEN
MOTION CARRIED BY UNANIMOUS VOTE

B. Judy Woods to appear by phone. Ms. Woods appeared by phone and explained that she has been in the industry for over 30 year and wishes to share her knowledge through education classes. Coni Rathbone asked Ms. Woods to explain about the topics she would provide and Ms. Woods responded that she offers several different course topics due to the ever changing industry. Marcia Edwards asked Ms. Woods if she understood the record keeping requirements involved with being a CEP and Ms. Woods responded that she would have to answer this question as a later time. Discussion: Chair Hermanski and Dave Koch both were both in favor of the motion due to the lack of knowledge of the record keeping requirements.

MOTION TO DENY THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER SUBMITTED BY JUDY WOODS BY MARCIA EDWARDS
SECOND BY JOANN HANSEN
MOTION CARRIED BY UNANIMOUS VOTE
V. BOARD ADVICE ACTION – Commissioner Gene Bentley. Commissioner Bentley summarized the 2016 board meeting schedule below.

A. 2016 Board Meeting Schedule:
   1. February 1 – Salem
   2. April 4 – Florence
   3. June 6 – Bend
   4. August 1 – Pendleton
   5. October 3 – Portland
   6. December 5 – Salem

VI. COMMUNICATIONS – Administrative Actions Summary. No discussion.

VII. REPORTS

A. Commissioner Gene Bentley
   o REA Board - Jef Farley and Coni Rathbone will both be reappointed for second terms. Chair Hermanski’s term will expire December 2016.
   o OREN-J – Articles from board members accounted for except for June 2016 issue
   o 2017 Legislative Concepts – The Agency will be reviewing ORS Chapter 696 to develop a draft document of revisions to be submitted to DAS by April 2016. The 2017 Legislative Concept Work Group will have its first meeting on 1.20.16.
   o License fee increase – fees will be raised by approximately $50 - $100
   o Cost reduction measures summary – Revenue reserves are low and the Agency is currently deficit spending’

B. Agency division reports-Deputy Commissioner Dean Owens
   1. Regulation Division – Selina Barnes. Ms. Barnes summarized the information provided in her written division report. She also reported that the Agency is exploring posting tutorials on the Agency website.
   2. Land Development Division – written report by Michael Hanifin. Deputy Commissioner Owens explained that condominium filings continue as usual and the hourly rate for file reviews will be increased to $200 through the rulemaking process.
   3. Education, Business and Licensing Division – Deputy Commissioner Owens. Deputy Commissioner Owens stated that implementation of a receptionist (versus automated) has elevated the level of customer service the Agency provides. He also reported the Agency currently has three vacant positions, which have not been filled as cost reductions measures continue.

VIII. ANNOUNCEMENTS – Next board meeting February 1, 2016 to begin at 10 a.m. at the Oregon Real Estate Agency, Equitable Center, Suite 100, 530 Center St. NE, Salem, OR 97301

IX. ADJOURNMENT

Respectfully submitted by: Respectfully submitted by:

_________________________________________  __________________________________________
GENE BENTLEY, COMMISSIONER                  CHRIS HERMANSKI, BOARD CHAIR
<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>
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<tbody>
<tr>
<td>12.7.15</td>
<td>Tim Rist</td>
<td>PB</td>
<td>DENIED</td>
<td><strong>FACTS:</strong> Mr. Rist appeared and explained the his request was based on his qualifications of experience and current high review for his customer service. He also explained that although he is very accomplished in the area of sales, he realizes the importance of developing a team with a broad area of expertise. <strong>DISCUSSION:</strong> Dave Koch responded that dispute resolution is key and felt that Mr. Rist should gain more experience in this area. Alex MacLean responded that he appreciated Mr. Rists enthusiasm and encouraged him to gain more knowledge and expertise. Chair Hermanski also encouraged Mr. Rist to take more time to gain seasoned experience. <strong>MOTION:</strong> MOTION TO DENY THE REQUEST FOR WAIVER SUBMITTED BY TIM RIST BY DAVE KOCH SECOND BY CONI RATHBONE MOTION CARRIED BY UNANIMOUS VOTE</td>
</tr>
<tr>
<td>2.1.16</td>
<td>Tim Rist</td>
<td>PB</td>
<td></td>
<td><strong>FACTS:</strong></td>
</tr>
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AGENDA ITEM NO.
III. A.

Oregon Real Estate Board
Experience Requirement Waiver Request

Date: 1/13/16
Name: Timothy Rist
Address: 1121 NW 9th Street, Corvallis, OR 97330
Daytime Phone Number: 541-253-1065
Oregon License Number: 20129259

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 ☑ No ☐
   If yes, please state the dates for which you held and Oregon real estate license: 2/13/14 to Current
   Was your Oregon license obtained through a reciprocal agreement with another state? Yes ☐ No ☑

3. I am currently licensed or have held a real estate license in another state that was issued by the state's licensing authority: Yes ☐ No ☑. Indicate the following

<table>
<thead>
<tr>
<th>Type of License</th>
<th>State Issued</th>
<th>Dates Active</th>
<th>License Held</th>
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<tr>
<td></td>
<td>From:</td>
<td>To:</td>
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<tr>
<td></td>
<td>From:</td>
<td>To:</td>
<td></td>
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</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Yes</th>
<th>No</th>
<th>Date Completed</th>
<th>Required Documents to be Attached to the Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed the “Broker Administration and Sales Supervision” course for principal real estate brokers. Must be completed PRIOR to waiver request.</td>
<td>☑</td>
<td></td>
<td>11/4/15</td>
<td>Original course certificate</td>
</tr>
<tr>
<td>Submitted the Real Estate License Application for Principal Broker license and $230 fee. Must be completed PRIOR to waiver request.</td>
<td>☑</td>
<td></td>
<td>10/24/15</td>
<td>Copy of confirmation letter received from Agency</td>
</tr>
<tr>
<td>Successfully passed the Oregon Principal Broker exam. Must be completed PRIOR to waiver request.</td>
<td>☑</td>
<td></td>
<td>11/9/15</td>
<td>Score report received from testing vendor</td>
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<tr>
<td>Graduated from a four-year college or university with a degree in real estate curriculum approved by the Commissioner. (863-014-0040) But I do have a Bachelor of Science in Communications from OSU</td>
<td>☑</td>
<td></td>
<td></td>
<td>Official transcript</td>
</tr>
<tr>
<td>Graduated with a two-year community college associates degree in real estate curriculum approved by the Commissioner. (863-014-0040) But I do have an A.A.T from LBCC</td>
<td>☑</td>
<td></td>
<td></td>
<td>Official transcript</td>
</tr>
<tr>
<td>Substantial experience in real estate that would qualify for an equivalent to the Commissioner's three year experience requirements. Include any real estate designations achieved while licensed as a brok er. (OAR 863-014-0042(c))</td>
<td>☑</td>
<td></td>
<td></td>
<td>Written explanation of the additional real estate experience that you have that would assist in the Board's consideration of your waiver request.</td>
</tr>
<tr>
<td>The number and type of real estate transactions (listings and transactions that were closed) you have completed while holding a real estate license in Oregon or in another state.</td>
<td>☑</td>
<td></td>
<td></td>
<td>Provide a document showing the number and types of transactions you have completed while licensed.</td>
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08.26.15
REQUIRED DOCUMENTS
Listed below are the required documents (#1-3) to be included in the OREA Board request for an experience waiver.
1. Your letter requesting a waiver of the three year active licensed experience. This letter should:
   ○ 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.
2. Required documentation listed above in the General Information and Documentation section #4.
3. Other experience relating to real estate not covered in questions 2 through 4 that would demonstrate your relevant related experience.

HELPFUL DOCUMENTS
The following information is helpful, but not required, for the Board to thoroughly evaluate your request:
   ○ Letters of reference pertaining to your real estate experience
   ○ Letters of reference from current or past supervising principal brokers
   ○ The number and type of real estate transactions you have executed.
   ○ 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 submit one original set of the waiver request documents, including a completed and signed “Experience Requirement Waiver Request”. E-Mail, mail or deliver the original set to the following address: Anna Higley, Oregon Real Estate Agency, 530 Center Street NE, Suite 100, Salem, Oregon 97301-2505.

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

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

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

[Signature]
[Date]

2015 BOARD MEETING DATES, LOCATIONS AND WAIVER PACKET DUE DATES

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>LOCATION</th>
<th>WAIVER PACKET DUE DATE</th>
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<tr>
<td>February 1, 2016</td>
<td>Oregon Real Estate Agency</td>
<td>Jan. 13, 2016</td>
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<tr>
<td>April 4, 2016</td>
<td>Florence</td>
<td>March 14, 2016</td>
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<tr>
<td>June 6, 2016</td>
<td>Bend</td>
<td>May 16, 2016</td>
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<td>August 1, 2016</td>
<td>Pendleton</td>
<td>July 11, 2016</td>
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<tr>
<td>October 3, 2016</td>
<td>Portland</td>
<td>September 12, 2016</td>
</tr>
<tr>
<td>December 5, 2016</td>
<td>Coos Bay</td>
<td>November 7, 2016</td>
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</table>
EXPERIENCE REQUIREMENT WAIVER REQUEST: COVER LETTER

To whom it may concern,

First of all, it would appear that I owe all of you an apology. I recognize that I took time out of the previous board meeting agenda to request a waiver of the 3-year experience requirement for a principal broker license in the State of Oregon with a set of false assumptions. I had assumed that the number and diversity of transactions I have closed in my real estate career thus far, and specifically in the last 12 months would have been the objective proof of the experience. I also assumed that when I mentioned that managed over 60 branch managers, 100 employees, and 1.3 million dollars of business as a full time college student while going to OSU, that it would mean the same to you as it did to me. I confess that as a result I wasted both your time and mine. For that, I apologize, and during our next meeting I intend to make it up to all of you and to myself. At the heart of the matter, I feel that I have solely misrepresented myself by not effectively communicating my qualifications for a principal broker license.

Please allow me to start again, beginning with some concerns that were raised by the board in the form of questions and comments. Among these concerns raised were as follows:

1. Experience in dispute resolution.

2. Experience necessary to manage business finances and reconcile client trust accounts.

3. Being able to provide a sustainable service model not just for myself but for replication among associate brokers under my name.

   Now in regards to all three of these concerns, I would like to elaborate on my experiences in managing a residential repainting business, closing over 78 transactions in my real estate career, and being apart of the leadership team for my brokerage, highlighting the key areas that address these concerns.

   I was hired on as a Branch Operator for a student development company called College Works Painting (CWP) when I was 17 years old. I had applied for this position with the promise that I would be working alongside of district manager (who was the one that recruited me into the business), and she would act as a mentor to me, teaching me all the ins and outs of how to launch and successfully manage a painting business. It seemed like a great deal, except there was a catch: it would be entirely commission based, I would be responsible for finding all of my own clients and hiring all my own painters, and the job would start in winter term, but I wouldn’t get paid till mid summer assuming that my business was actually profitable. As a dirt-poor college student, this was certainly not a walk in the park, but I was thankful for the opportunity. I was hired along with another 25 college students who would be doing the same program as a team but in different parts of the state. Unfortunately, shortly after beginning the program, I realized the business coaching and consistent mentorship was par at best. As it turns out, every single person that was hired on my team under our coach would either quit or get fired - except me. Eventually, at the height of my business when we were gearing up for the summer production season, my boss who recruited me was also fired.

   I learned several valuable lessons here about managing a business that relate to my current qualification as a principal broker. First of all, I felt the pain of what it was to be
abandoned without direction, not knowing what to do with my business or how to do it (something we see often with new agents in the real estate industry). I resolved that summer that I would never let that happen to anyone under my rank for my future in the business world. Secondly, I was actually too young to legally paint for own my business (because I was 17) so I was forced to learn how to effectively hire, train, and lead painting crews to accomplish the level of workmanship that I had promised to my clients. Thirdly, I learned that in business if it is to be, it is up to me. The isolation gave me an opportunity to affirm that I did not have to live in victim mindset.

That year would finish out as a phenomenal crash course in business management. As a 17 year old, I contracted and successfully managed 34 exterior residential paint jobs, all at 100% customer satisfaction, totaling over $113,000 in revenue. I learned to contract work, set proper expectations with clients, resolve issues when expectations needed to be revisited, manage my own profit and loss (as I only made an income off of what was left over after labor, materials, and overhead costs), and how to process payroll in compliance with Oregon state regulations. Furthermore, I succeeded at all of this in large due to my own initiative to problem solve, research, and teach myself.

My next major lessons in leading an organization, running a consistent training program for marketing, sales, production, safety, and legal compliance would come from the next 4 years that would follow, where I worked in various roles of management within College Works Painting (CWP). After that first painting season, the company decided to offer for me to take the position of my former business coach as a District Manager. I took the job, but with some stipulations. The company agreed to give me full reign to recreate training processes to address all of the issues that I had personal experienced during my first year in that business as a Branch Operator. Truth be told, College Works Painting, which is nationally based, was a real mess at the time (at least in the Oregon and California divisions). There was a high push for sales, and lots of training on how to knock on doors and book more business, but there was an enormous deficit in hiring and training painters to produce at a high quality with great customer service, safe practices, and high morale. I walked into a lot of warranty work from jobs that were produced before I was even apart of the company. I also encountered a lot of people that had a bad taste in their mouth from the experiences they had had as painters, former managers, and clients.

During my first two years as a District Manager, I became responsible for fixing these problems while also teaching Branch Operators to replicate the business that I had run when I was 17. I ended up recruiting and coaching over 60 students how to run their own painting businesses. I set new company records for low attrition rates, high customer service, safety ratings, employee loyalty, and production numbers. I also rewrote the production training process for the company which revolutionized they way that they now do business on a state level. I made the executive decision to sacrifice two of the most important sales weeks of the year (those first two weeks of summer), and focus entirely on training production quality, safe practices, and customer service before any painter or manager was allowed to set foot on to a job site. Truthfully, I was only actually a manager for a painting business for one year. The other years I worked in the industry, I was managing a entrepreneur development company that just happened to be in the painting industry.

This experience served to be a fantastic preparation for what my responsibilities will be as a principal broker. To address the 3 specific concerns that the board had, I could tell story
after story of how I was required to operate at an extremely high level in financial management, systemizing training processes, and dispute resolutions in that industry. Additionally, some of the most crucial lessons I learned during that time were also birthed in some big failures.

As a branch manager during my first year, I was actually extremely capable at managing client trust accounts with the 25% deposits that we received for each contract, and all the other aspects of managing profitability of a business during the production season. I am numbers oriented, and so I caught on quickly and maintained a very healthy profit margin while also paying my employees exceptionally well. The pressure came when I took the position of a District Manager and I was in charge of 30 students all running painting businesses in different parts of the state. I was still tight on managing client deposits, and never once was there a commingling of funds or anything that was not above board. The issue came in the way that I managed personal profit and manager paychecks. I had a friend that was working under me that I trusted more than I should have, and I gave him multiple advances on pay based on the verbal promises that work was being completed and final client payments were being collected because he sounded like he was in a tough spot financially. I did this with out confirming that all of the labor he had been paying out and materials he had been ordering were for jobs that were actually completed. As it turns out, I was being embezzled, and my failure to hold my manager and employees accountable to the standards that were originally set in place costed me over $12,000 in that one particular scenario. As a full time college student at the time, that was a lot of money to me, so you can bet that I have not forgotten that lesson. For the remainder of my business with CWP, (and continuing into another start up company a did after CWP) and my launch into real estate, I have reviewed P and L statements religiously. I understand what can happen when money is not tracked to the penny, and what happens when financial standards are fudged.

I would go on from that experience to not only run healthy profit margins, but also to teach every single student under my rank in effective financial management, including managing client funds pre and post production, employee wages, materials budgets, overhead costs, and personal profit.

When it comes to dispute resolution, you can imagine the issues that could arise in having college students running businesses all over the state with no prior painting experience. We produced over 400 projects in a 3 year period. I was the final line of defense when it came to dispute resolution, and I become an expert at managing disputes within that industry. When running painting a business, it was fairly common (especially at the beginning of the summer as things started rolling) that I would get phone calls from painters who were confused or frustrated with their pay checks. Similarly, there would be times that managers would over promise on expectations, which I would then have to come back and address, and find a way to still do right by the client based on what they had thought they paid for, in addition to being responsible for helping the branch operators be profitable. In each of these realms, I was consistently successful in addressing disputes in a respectful way to all parties, and with only one exception, I never left a dispute without a mutually agreeable resolution, no matter how drastic the mistakes that were made.

The exception I noted above was a gentleman that had received a phenomenal paint job, and then expressed at the end that the paint job was perfect, but that he would not be paying for it because he didn't have to. His reasoning was that we were just a bunch of kids, and it didn't matter if he paid because there was nothing we could do about it. This was a job
site for manager that worked under me. After hearing of the dispute, I made multiple personal
visits to meet with this gentleman, attempting to be professional and have an adult conversation
about the job. After no-showing our appointments multiple times, I finally made in-person
contact with him, at which point he simply affirmed that he was not going to pay because he
didn't want to and he didn't have to. With reluctance, I started the lien notification process, and
by the second notification, the final payment had showed up at our office without any further
issues. This would be the first and only time that I resorted to this kind of legal force in business.

Another example of effective dispute resolution I can give occurred during my time in the
real estate industry. I had listed a property where the tenant was in a legal dispute with the
owner of the property, and I was able to build relationship with both tenant and owner,
coordinate getting the house listed, shown, and sold despite the hostility that existed between
the two parties. During the transaction, this hostility manifested itself even to the point where I
actually had to break up a fight on the front steps of the home when there was a contractor who
had given appropriate notice to access the house but was then blocked from entering the home
because of a previous tension between the tenant and the contractor, which escalated almost to
the point of physical violence, and almost certainly would have had I not intervened, separated
the parties, and immediately called another contractor out to the job to fix an active water leak
under the home.

As it relates to business management and real estate, I could provide many more
examples and stories of various intensity upon request of how I have demonstrated the skills
needed to succeed as a principle broker, including but not limited to financial and client trust
account management, dispute resolutions, systemized/effective training of sales people,
employees, and business managers in production, compliance, and character ethic.

One final note: As it relates to my reputation in my office, I was recently invited and have
accepted the invitation to be apart of the Associate Leadership Counsel for my market center
(see attached signed document). This involves aiding in specific initiatives for the market center,
including reviewing the market center profit and loss statements each month, strategizing on
servicing our agents with relevant classes and training, addressing disputes in the market
center, and leading individual task forces. This is a new experience that has been hugely
beneficial in preparing me to be a great principal broker by furthering my knowledge in financial
management and training new agents in our market center. I have been added on to the master
faculty of trainers in our office, which means I am responsible to teach classes for incoming
agents on various topics. In the most recent classes I have offered, I have received reviews
back from agents with experience everywhere from 2 days to 25 years in the business that told
me it was one of the most impactful classes in the teaching series.

In summary, I believe that I am more than adequately prepared for the Principal Broker
designation, and the responsibilities that come along that that. This is not something that I take
for granted, and I leave it up to the discretion of the board to determine if I do indeed have what
it takes to carry out the responsibilities of a principal broker in the State of Oregon.
Thank you again for your time, and I look forward to our next meeting.

Respectfully,

Tim Rist

[Signature]
Our Commitment to You

As members of the 2016 Associate Leadership Council, we are committed to being servant leaders and leading through example and contributing to the Growth, Culture, Productivity, Profitability of Keller Williams® Realty Mid-Willamette.

We are committed to be "Keepers of the Culture" above all, through following the Keller Williams® Realty Mission, Vision, Values and Beliefs.

We agree to be an interdependent synergistic Leadership Team that protects and enhances the vitality of our company, culture and Profit Share System.

We agree to be the forum for the creation of all policies, guidelines and procedures as we listen and hear the voice of our agents.

We believe votes are sacred and should not be political.

We will address our motivation for each vote and look at how decisions will impact ALL.

We will individually vote for what is best for the greater good of the entire company.

We will inspire and create leadership and provide the innovation, creativity and leadership for the implementation of these ideas.

We will keep our professional standards and public image "world class".

We will work toward helping our associates become the very best sales people and business people possible.

Being on a Local, Regional or International ALC is the highest honor bestowed in the Keller Williams® Realty system. It is an honor to serve you.

Andrea Beem
Brandon Hanson
Kristen Wilson
Kristin Smith
Laura Gillott
Lisa Lang
Sherri Gregory
Tim Rist
Completion Record
Oregon Real Estate Preliminary Education

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

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

Important Instructions to Obtain Your License

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

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

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

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

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

The Staff at ProSchools
Certificate of Real Estate Prelicensed Education

This certifies that

Student Name: Tim Rist
9-digit Applicant ID: 201209259
Date of Birth: 07/14/1992
Course Title: Oregon Brokerage Administration and Sales Supervision - Part II
Course Number: 302OR032
Course Completion Date: 11/4/2015
Course Credit Hours: 40.00
Education Provider: ProSchools

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

Signature of School Official:

[Signature]

The certificate serial number uniquely identifies this certificate of completion and its bearer. To confirm the validity of this certificate, call 1-800-452-4879.
Cert Serial Number: 57473 - 302OR032
Oregon Real Estate Principal Broker Application Received Confirmation

1 message

Oregon Real Estate Agency <noreply_rea@state.or.us>
Reply-To: Oregon Real Estate Agency <orea.info@state.or.us>
To: Timothy John Rist <timrist@kw.com>

Sat, Oct 24, 2015 at 3:01 PM

Dear Timothy John Rist,

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 #201209259. 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.
- The Agency's 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 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
Oregon Real Estate Agency
Real Estate Broker
Score Report

Tim Rist
1121 NW 9th St
Corvallis, Oregon 97330

Candidate ID: XXX-XX-9259
Exam: OR Principal Broker Exam - OR Principal Broker - National
Exam Date: 11/07/2015

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.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of Questions</th>
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<tbody>
<tr>
<td>Contracts</td>
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<tr>
<td>Land Use Controls and Regulations</td>
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<tr>
<td>Property Ownership</td>
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<td>Valuation and Market Analysis</td>
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<tr>
<td>Specialty areas</td>
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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.
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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<td>Handling of Client Funds</td>
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<td>7</td>
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<tr>
<td>Agency Law and Rules</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Regulation of Broker Activities</td>
<td>8</td>
<td>7</td>
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<tr>
<td>Document Handling and Recordkeeping</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Property Management</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Oregon Real Estate Related Statutes</td>
<td>14</td>
<td>11</td>
</tr>
</tbody>
</table>

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.

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

To whom it may concern,

I would like to thank you for your time in considering to approve me to be a licensed Principal Broker in the State of Oregon. This is a designation that I do not take lightly. In this letter you will find the following material:

- The reason for my request, including the compelling reason why I am making this request prior to being licensed for three years as a real estate agent in Oregon.
- Real estate experience that I think would be an acceptable substitute for the three years of required experience.
- Other experience related to real estate that would demonstrate that I am a great candidate for this appeal.

I am making this request for a number of compelling reasons. Before my real estate career, I worked four years with a training and consulting company that taught college students how to run their own business in the painting industry. I started with that company as a branch manager during my junior year of college at Oregon State University. I was 17 years old. Though I grew up in the construction industry helping various contractors during high school and college (in addition to helping my uncle build a house and a shop from the ground up) this was my first experience running my own business. At 17 years old, I knocked on doors to find business, estimated and sold painting projects, hired and trained painters, and produced quality workmanship at a 100% customer satisfaction rating. This service experience was replicated with 34 homes and $113,000 of contracted work. The following year, the company hired me back to recruit, hire, and train over 30 college students to run their own painting businesses across the state of Oregon. I took the job while being a full time student at OSU, and at 18 years old I grew that business to gross over $500,000 of contracted work under my supervision. The following year, I took the same number of students and we produced over $750,000 of work. During that time, I oversaw the hiring and training of over 100 employees, and I learned what it was like to consistently work over 90 hours a week, balance thousands of moving parts in a business, and do so while still maintaining a high level of service to my team, our employees, and most importantly, our clients.

It would be difficult to efficiently portray all of the lessons I learned during this time and continued to learn during my last year with that company. As it relates to this waiver request, one things stands out: I have a passion for training, coaching, and leading others to reach their goals. I am demonstrating now that I am willing to work in order to best positions myself to do this at the highest level. I didn't get into real estate to help myself; I got into real estate to help others. I have had a great time helping clients buy, sell and invest in real estate, but I have yet to be in a position to officially supervise, train and consult other real estate agents to reach their goals. Obtaining a principal broker license would be the required next step for that goal.

Beyond the above stated reason for my urgency, I am also in a circumstance where I have many peers who are graduating college who formerly worked under me in the contracting
world that are now looking for other opportunities. Some of these include family members that I know I could employ as a part of a real estate team. The level of talent is such that I think it would positively change the way people think about great service in our local real estate market. I think I have a lot to bring to the table as a leader in our industry and for those that need opportunities like what I have as a licensed real estate agent. But none of that can happen to the highest degree without a principal broker license.

I believe that the real estate experience I have currently could be considered a direct substitute for the three year minimum requirement. The logic being this statement is found in the number of sales that I have made since I have been licensed and in the high level of satisfaction that those clients have had (see attached client testimonials).

I have been licensed since February of 2014. I started my career in real estate with crippling chronic pain that came from a disk herniation I had obtained previously in the construction trade due to overworking. This situation was not resolved until June of 2014 when I finally got back surgery two weeks before my wedding. This was the context that would eventually be the foundation for over 17 transactions that I would close by the end of the year, and 29 closings in my first full year. In total, I have closed 68 transactions in my real estate career, with another 6 set to close in the month of November.

As of 2013, the average annual transactions per agent nationally was 9, according to the National Association of Realtors. If I take that average and apply that to the number of sales that I have closed so far in my real estate career (68), one could argue that I have the equivalent of 7.5 years of real estate experience. Furthermore, those 68 closings created happy clients whom I still have relationship with, and most of whom refer me business and/or have left reviews online endorsing me as their agent. Attached are just few of the reviews that you will find if you look on my Facebook, Yelp, Zillow, or Trulia account (see link for more examples: http://www.zillow.com/profile/Tim-Rist/)

In summary, I believe that based on my past experience in industries related to real estate and business management (i.e. construction, contracting, employee/team management, sales coaching and training, marketing, and quality control), my current success as a real estate agent, and my passionate aspirations to be a principal broker and a leader in my market center are what qualify me for this exception. Thank you again for your consideration and I look forward to meeting all of you in person.

Respectfully,

Tim Rist

Please note additional cover letter with related experiences.
Tim Rist  

As of 1/1/2016, total closed units = 18. <>
Career numbers  total closed volume = $19,574,440

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<thead>
<tr>
<th>Listings Taken Units</th>
<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>
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<th>MOM % Change Dec</th>
<th>YOY % Change Dec</th>
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<td>1.0</td>
<td>3.0</td>
<td>3.0</td>
<td>6.0</td>
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<td>4.0</td>
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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>
<th>MOM % Change Dec</th>
<th>YOY % Change Dec</th>
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<th>Nov</th>
<th>Dec</th>
<th>Total</th>
<th>MOM % Change Dec</th>
<th>YOY % Change Dec</th>
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<tr>
<td>2014</td>
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<td>1.00</td>
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<td>1.00</td>
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<td>4.00</td>
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<td>0.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
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<th>Mar</th>
<th>Apr</th>
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**My Tracker - Contacts**

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November 09, 2015

To whom it may concern:

I endorse Tim Rist as a qualified applicant for the role of a licensed Principal Broker in the State of Oregon and here is why:

Tim Rist is the finest, brightest, young man I have ever met in my career. He has learned the business of real estate faster, and has helped more people buy or sell homes in the short period that he has had his license, than any other agents we have ever had. He has been rookie of the year, and gives classes on real estate to other agents in the office. Tim is so professional; one would not realize how young and new he is. He is a leader and gives to others, and helps develop their skills as well. His experience is vast as he developed skills from others in his previous business, where he ran a successful painting business with several employees.

Tim Rist is extraordinarily competent and I have full confidence he will excel as a Principal Broker as well.

Sincerely,

Sue Long,

Broker/Owner

541-740-7722

suelong@kw.com
Client testimonials (taken from http://www.zillow.com/profile/Tim-Rist/):

Highly likely to recommend
07/02/2015 - NancyGeorge8
Bought a Single Family home in 2015 for approximately $225K in Albany, OR.

Buying a home is a huge deal - it's also quite a process, not easy, and can be highly stressful, but my home buying experience was nothing short of perfect with Tim Rist as my realtor. He is very professional, very knowledgeable of the process, and he always responded to my questions in a very timely manner - explaining things to me in detail that I didn't understand. When it came time to go out and tour homes, I felt extremely comfortable and never felt pressured. Once I was ready to make an offer, Tim worked extremely hard to get me a great deal - negotiating all the details that I felt I needed, in order to pay the price I had offered. He's even been wonderful post-buy... Following up with me a couple times to see if I'm getting settled in and enjoying my home. All in all, Tim is great realtor and due to his expertise, I had a wonderful home buying experience. If you need a hard working realtor that will do his best for YOU, I highly recommend Tim Rist!

Highly likely to recommend
11/02/2015 - zuser20150916003420442
Bought a Condo home in 2015 for approximately $150K in Philomath, OR.

When I started looking for a house, I was forced to buy a property in cash since I was an international student, so realtors had a hard time working with me, this is where I met Tim Rist. Tim knew my story through mutual acquaintances and informed me that there was an apartment within my price range. He was persistent with completing the job, very professional with dealing with the seller and very thorough explaining the whole buying process to me. Although I had a busy schedule, I was very pleased with Tim's smooth and swift actions that had helped me close the deal as soon as possible.

Tim is definitely a real estate agent I recommend to anyone who is planning to buy his/her dream house.

Highly likely to recommend
08/11/2015 - jessejameswise
Sold a Mobile / Manufactured home in 2015 for approximately $150K in Corvallis, OR.

This guy knows his stuff when it comes to real estate I would recommend him to anyone looking for a house or looking to sell their house. I would recommend him to my mother and grandmother. When Tim is involved in the transaction you can trust that he will be treat everyone involved with respect and he won't try and cut any corners. If I had one word to describe Tim it would be "Integrity"
Highly likely to recommend
08/10/2015 - JessicaHayward
Sold a Single Family home in 2015 for approximately $175K in Lebanon, OR.

Tim is incredibly attentive. He walked us through each step of both buying and selling our old and new homes and kept us informed throughout the entire process. Whenever we had questions or concerns or were feeling overwhelmed through the otherwise difficult transition of moving with two young children in tow, Tim was there with solid answers, quick responses, and attention to our emotional states that is pretty rare in my experience. He got our old house under contract in 5 days for much more than our asking price and helped us negotiate a decent price on our new house. Overall, I'm incredibly satisfied with our experience and I won't ever use another agent!

Highly likely to recommend
08/05/2015 - DawsonHunter
Sold a Single Family home in 2015 for approximately $175K in Lebanon, OR.

After trying to sell our home ourselves for three months, we broke down and asked Tim to list our house. He put it on the market on a Friday, and we were under contract by the end of the following Tuesday for much more than our asking price!

Tim did an excellent job with pricing, marketing, and negotiating the sale of our home. We would recommend Tim to anyone selling their home in the Mid-Willamette Valley. The team at Keller Williams guided us through all the obstacles to selling our home, and we greatly appreciate their service.

Highly likely to recommend
06/25/2015 - Carol
Bought a home in 2015 in Flynn, Philomath, OR 97370.

Tim is a great guy to work with, and after the transaction was completed he went above and beyond to help me with issues that I faced. He's more than a realtor, he's a genuine friend to his customers.

Highly likely to recommend
02/15/2015 - hannahaeby
Bought a Single Family home in 2014 for approximately $250K in Aumsville, OR.

As first time home buyers we were so impressed by Tim. He was so eager and worked so hard for us.

His energy and passion is contagious and you know he is on your side. We had a few frustrating moments in our journey to buy a home but Tim was there to fight for us and make it right.
To whom it may concern:

I fully endorse Tim Rist as a qualified applicant for the Role of Principal Broker. From even before Tim received his license he was very careful to listen and learn the best practices. He obviously paid close attention as he became our rookie of the year for his first year in the business and closed 29 transactions.

He has continued producing at even a much higher level and has become part of our leadership team within our company. Even though he has less than the 3 years as a broker to qualify I believe he does qualify with experience as he has done more than most in that time frame.

Please consider Tim Rist for an exemption due to his experience, leadership, and his proactive approach in getting all the items complete to be considered. Feel free to call me with any questions.

Lionel Wilson
Team Leader/CEO
Keller Williams Realty Mid-Willamette
c 541.829-1267
e Lionel@kw.com
ADMINISTRATIVE ACTIONS
Reported
November 25, 2015 through January 26, 2016

REVOCAATIONS

Waddle, Douglas (Portland) Broker 841100092, Final Order, after a hearing, dated January 21, 2016 issuing a Revocation.

SUSPENSIONS

REPRIMANDS

Zamanizadeh, Lili (Banks) Principal Broker 920900044, Stipulated Order dated, December 2, 2015, issuing a Reprimand.

Hyland, Lauren (Banks) Property Manager 200803067, Stipulated Order dated December 3, 2015, issuing a Reprimand with Education.

CIVIL PENALTIES

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

Cartwright, Leanna (North Bend) Property Manager, 201002035, Stipulated Order dated December 16, 2015 issuing a $100 civil penalty for unlicensed activity.
BEFORE THE
REAL ESTATE AGENCY
STATE OF OREGON

IN THE MATTER OF:

DOUGLAS WADDLÉ, Licensee

) FINAL ORDER
)
) OAH Case No. 1504112
) Agency Case No. 2013-667

This matter came before the Real Estate Agency to consider the Proposed Order issued by Administrative Law Judge (ALJ) Dove L. Gutman on November 30, 2015. No exceptions were filed to the Proposed Order.

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

IT IS HEREBY ORDERED that the real estate broker license of Douglas Waddle is revoked, with said revocation to be effective the date of this order.

Dated this 21st day of January 2016.

Gene Bentley
Real Estate Commissioner

Date of Service: January 21, 2016

NOTICE: You are entitled to judicial review of this order. Judicial review may be obtained by filing a petition for review within 60 days of the service of this order. Judicial review is pursuant to the provisions of ORS 183.482 to the Oregon Court of Appeals.
BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS
STATE OF OREGON
for the
REAL ESTATE AGENCY

IN THE MATTER OF: DOUGLAS WADDLE,
Respondent

) PROPOSED ORDER
) OAH Case No.: 1504112
) Agency Case No.: 2013-667

HISTORY OF THE CASE

On February 9, 2015, the Real Estate Agency (REA or Agency) issued a Notice of Intent to Revoke (Notice) to Douglas Waddle (Respondent), who had previously requested a hearing on November 16, 2014.

On April 3, 2015, the Agency referred the hearing request to the Office of Administrative Hearings (OAH). The OAH assigned Senior Administrative Law Judge (ALJ) Dove L. Gutman to preside at hearing.


On September 11, 2015, Respondent filed a request to postpone the hearing. On September 11, 2015, Mr. Ramirez notified the OAH that the Agency did not object to the postponement, but requested that a prehearing conference be held to reschedule the hearing.

On September 17, 2015, ALJ Gutman convened a prehearing telephone conference. Mr. Ramirez represented the Agency. Respondent represented himself. Hearing was rescheduled for November 18, 2015.

Hearing was held as scheduled on November 18, 2015, in Salem, Oregon. ALJ Gutman presided. Mr. Ramirez represented the Agency. Respondent represented himself. The following individuals provided testimony: Respondent, Nathan Seaver, Barbara Ralston, Peter Clark, and Aaron Grimes. The record closed at the conclusion of the hearing.

ISSUES

1. Whether Respondent committed acts of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or licensee to conduct professional real estate activity, in violation of ORS 696.301(14) (2013 Edition).

2. Whether Respondent engaged in conduct below the standard of care for the practice of
professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon, in violation of ORS 696.301(15) (2013 Edition).

3. Whether Respondent’s real estate license should be revoked. ORS 696.301.

EVIDENTIARY RULING

The Agency’s Exhibits A1 through A15 were admitted into evidence without objection. Respondent’s Exhibits R1, R2, R5, R11 page 2, R13, R14, R17, and R19 were admitted into evidence without objection.

Respondent’s Exhibits R3, R4, R6 through R10, R11 page 1, R12, R15, R16, R18 and R20 were excluded based on being irrelevant, cumulative, and/or unreliable.

ADMISSIONS

During the hearing, Respondent made the following admissions:

1. He entered the listed Property on August 4, 2013, using his RMLS (lockbox) key with the intent to engage in sexual relations with RC. He did not enter the listed Property with the intent to engage in professional real estate activity.

2. He was dishonest with and made a false statement to the Agency, the Agency’s investigator and the RMLS when he stated (verbally and/or in writing) that he entered the Property to use the restroom to wash some vomit off of clothes and/or shoes.

FINDINGS OF FACT

Background

1. Douglas Waddle (Respondent) has been a licensed real estate agent/broker in Oregon for approximately 25 years. (Test. of Waddle.)

2. Prior to August 2013, Respondent had never had any complaints filed with the Real Estate Agency (Agency) against him. (Id.)

3. During the period of August 1, 2012 to August 6, 2013, Respondent’s real estate license was associated with Oregon First, Realtors. During the period of August 15, 2013 to August 21, 2013, Respondent’s real estate license was associated with Willamette Realty Group. (Test. of Waddle; Ex. A11; Pleading 1.)

4. While his license was active, Respondent was a member of Regional Multiple Listing Service (RMLS). (Test. of Waddle.)

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1 The name of the other individual involved in the incident is represented by the initials "RC."
5. Respondent’s real estate license is currently inactive. (Id.)

Incident

6. On August 4, 2013, at 11:14 pm, Respondent used his RMLS (lockbox) key to enter a home located at 8636 SE Yamhill Street, in Portland, Oregon (the Property). The Property was vacant and listed for sale with agent Peter Clark of The Clark Group.

Respondent entered the Property with another man, RC. Respondent entered the Property with the intent to engage in sexual relations with RC. Respondent did not enter the Property with the intent to engage in professional real estate activity. Respondent and RC were inside the Property for approximately 1.5 hours.

Nathan and Anna Seaver were owners of the Property.

At some point on August 4, 2013, after 11:14 pm, Anna Seaver drove by the Property. Mrs. Seaver observed, among other things, that lights were on inside the home and a vehicle was parked outside of the home. Mrs. Seaver contacted her husband, Nathan Seaver, and asked him to drive by the Property after he got off work to turn off the lights and make sure the home was secure.

On August 5, 2013, at approximately 12:45 am, Mr. Seaver entered the Property. Mr. Seaver found Respondent and RC in the bathroom on the first floor of the home. Mr. Seaver asked the men to leave and then called police.

Respondent left the Property. RC subsequently apologized to Mr. Seaver and confirmed that he and Respondent were having sex inside the Property. RC provided Mr. Seaver and the police with his phone number and Respondent’s name and phone number.

On August 5, 2013, Mr. Seaver notified agent Peter Clark of the incident. Mr. Clark forwarded the information to Principal Broker Barb Ralston. (Test. of Waddle, Seaver, Ralston; Exs. A1, A5, A6, A7.)

Complaint and Response

7. On August 8, 2013, Barb Ralston filed a Complaint against Respondent with the Agency, detailing the incident at the Property. (Ex. A1.) Ms. Ralston also filed a Rules and Regulation Report against Respondent with RMLS, alleging unauthorized use of the RMLS key and detailing the incident at the Property. (Ex. A12.)

8. On September 1, 2013, Respondent filed a Response with RMLS that stated, in material part:

   Yes! I went inside the house to use bathroom to clean off some vomit from clothes that happened while giving a[n] over intoxicated person a ride home. I don’t drink and sometimes get
asked to drive friends, family or acquaintances home.

This was a rush and spur of the moment bad decision and [I] know I was in the wrong. The sink was used, and the shower (1-2 min) to rinse a shoe off. There were no remnants or signs of what was cleaned off left in either one. There was no harm done to anything except for some splashed water that would have been wiped dry before leaving but then told to leave.

(Ex. A13.) Respondent was dishonest with and made a false statement to the RMLS. (Test. of Waddle.) Respondent did not admit or disclose that he entered the Property with the intent to engage in sexual relations with RC. (Id.; Ex. A13.)

9. On September 12, 2013, Respondent filed a Response with the Agency, which stated, in pertinent part:

   Yes it was I and my keypad that was used to go in house as normally done. The only reason was to use restroom to wash some vomit off that got on clothes and shoes. There was no other intent than that.

   This was a rash, drastic and spur of the moment bad decision to do so. This was the first time in 27 yrs [sic] as a[n] agent/broker to enter a listing other than normal R.E. Activity.

   I am appalled and disgusted with myself that I allowed myself to be vulnerable and allow some things happen while rinsing [sic] things off in bathroom. There was no one showering. But shower was on maybe 1-2 maybe 3 mins [sic] tops to rinse shoe off.

(Ex. A2.) Respondent was dishonest with and made a false statement to the Agency. (Test. of Waddle.) Respondent did not admit or disclose that he entered the Property with the intent to engage in sexual relations with RC. (Id.; Ex. A2.)

10. On December 27, 2013, Aaron Grimes, investigator with Agency, interviewed Respondent regarding the incident. Respondent told Mr. Grimes that he entered the Property to clean vomit off his shoe. (Test. of Waddle; Ex. A8.) Respondent was dishonest with and made a false statement to Mr. Grimes. (Test. of Waddle.) Respondent did not admit or disclose that he entered the Property with the intent to engage in sexual relations with RC. (Id.; Ex. A8.)

11. Respondent was fined $650 dollars by RMLS. (Test. of Waddle.)

12. Respondent was not authorized by RMLS to enter the Property for any reason other than professional real estate activity. (Test. of Ralston, Clark.)

13. Respondent’s behavior violated the public trust. Respondent’s behavior was below
the standard of care for the practice of professional real estate activity in Oregon. (Test. of Ralston, Clark.)

CONCLUSIONS OF LAW

1. Respondent committed acts of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or licensee to conduct professional real estate activity, in violation of ORS 696.301(14) (2013 Edition).

2. Respondent engaged in conduct below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon, in violation of ORS 696.301(15) (2013 Edition).

3. Respondent’s real estate license should be revoked.

OPINION

The Agency contends Respondent violated ORS 696.301(14) and (15) (2013 Edition), and should be sanctioned for the violations. As the proponent of this position, the Agency has the burden of proof. ORS 183.450(2); Harris v. SAFF, 292 Or 683, 690 (1982) (general rule regarding allocation of burden of proof is that the burden is on the proponent of the fact or position); Metcalf v. AFSD, 65 Or App 761, 765 (1983) (in the absence of legislation specifying a different standard, the standard of proof in an administrative hearing is preponderance of the evidence). Proof by a preponderance of the evidence means that the fact finder is persuaded that the facts asserted are more likely true than not true. Riley Hill General Contractor v. Tandy Corp., 303 Or 390, 402 (1987). The Agency has met its burden.

Violations

The Agency contends that Respondent violated ORS 696.301(14) and (15) (2013 Edition). I agree with the Agency.

ORS 696.301, in effect in 2013, is titled “Grounds for discipline” and provides, in pertinent part:

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

*****

(14) Committed an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or licensee to conduct professional real estate activity, without regard to whether
the act or conduct occurred in the course of professional real estate activity.

(15) Engaged in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

"Fraud" is defined as "an instance or an act of trickery or deceit esp. when involving misrepresentation" and "a false representation of a matter of fact by words or conduct." *Webster's Third New International Dictionary* 904 (unabridged ed 2002.)

"Dishonest" is defined as "characterized by lack of truth, honesty, probity, or trustworthiness or by an inclination to mislead, lie, cheat, or defraud : fraudulent." *Webster’s* at 650.

In this matter, the uncontroverted evidence establishes that Respondent entered the listed Property using his RMLS key with the intent to engage in sexual relations with RC. Respondent did not enter the Property to engage in professional real estate activity.

The uncontroverted evidence also establishes that during the subsequent investigation, Respondent was dishonest with and made a false statement to the Agency, the Agency’s investigator and the RMLS when he stated (verbally and/or in writing) that he entered the Property to use the restroom to wash some vomit off of clothes and/or shoes.

Respondent’s behavior was fraudulent and dishonest, and violated the public trust. Respondent’s behavior is substantially related to his fitness as a real estate licensee to conduct professional real estate activity in Oregon. Respondent’s behavior was below the standard of care for the practice of professional real estate activity in Oregon.

Accordingly, Respondent engaged in fraudulent and dishonest conduct that violated ORS 696.301(14) and (15) (2013 Edition).

**Sanction**

The Agency contends that Respondent’s license should be revoked. Respondent contends to the contrary. I agree with the Agency.

ORS 696.396 is titled “Investigation of complaints and progressive discipline; rules” and provides, in part:

(1) The Real Estate Commissioner shall provide by rule for the progressive discipline of real estate licensees and an objective method for investigation of complaints alleging grounds for discipline under ORS 696.301.
(2) The rules adopted by the commissioner under this section:

*****

(c) May not authorize imposition of a suspension or a revocation of a real estate license unless the material facts establish a violation of a ground for discipline under ORS 696.301 that:

*****

(C) Exhibits dishonesty or fraudulent conduct[.]

Pursuant to ORS 696.396(2), the rules adopted by the commissioner may not authorize revocation of a real estate license unless the material facts establish a violation of a ground for discipline under ORS 696.301 that, among other things, exhibits dishonesty or fraudulent conduct.

As determined above, Respondent engaged in fraudulent and dishonest conduct that violated ORS 696.301(14) and (15) (2013 Edition). Therefore, the Agency may revoke Respondent’s real estate license. Additionally, a review of the record establishes that revocation is the appropriate sanction in this matter.

Respondent contends that his license should be suspended rather than revoked. However, I have determined that revocation is appropriate. As such, Respondent’s argument is unpersuasive.

ORDER

I propose the Real Estate Agency issue the following order:

1. Respondent committed acts of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or licensee to conduct professional real estate activity, in violation of ORS 696.301(14) (2013 Edition).

2. Respondent engaged in conduct below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon, in violation of ORS 696.301(15) (2013 Edition).

3. Respondent’s real estate license is revoked.

Dove L. Gutman
Senior Administrative Law Judge
Office of Administrative Hearings

In the Matter of Douglas Waddle, OAH Case No. 1504112
Page 7 of 9
NOTICE

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

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

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

On November 30, 2015, I mailed the foregoing Proposed Order issued on this date in OAH Case No. 1504112.

By: First Class Mail

Douglas Waddle  
13720 SE Taylor St  
Portland OR 97233

Denise Lewis  
Real Estate Agency  
530 Center Street NE Ste 100  
Salem OR 97301-2505

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

Alesia Vella  
Administrative Specialist  
Hearing Coordinator

In the Matter of Douglas Waddle, OAH Case No. 1504112
Page 9 of 9
CERTIFICATE OF MAILING

On January 21, 2016, I mailed the foregoing Final Order issued on this date in OAH Case No. 1504112 and Agency Case No. 2013-667.

By: First Class Mail

DOUGLAS NELSON WADDLE
13720 SE TAYLOR ST
PORTLAND, OR 97233

Office of Administrative Hearings
ALJ Dove L. Gutman
PO Box 14020
Salem OR 97309-4020

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

Carolyn Kalb
Compliance Specialist
REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

LILI ZAMANIZADEH

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (OREA) and Lili Zamanizadeh (Zamanizadeh) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 Zamanizadeh was licensed as a principal broker with Pacific NW Realty LLC.
1.2 On October 7, 2013, OREA received a complaint from Cameron Lane (Lane).
The complaint revolved around the conduct of Zamanizadeh and Mark Mead (Mead) regarding two transactions. (Mark Mead has a principal broker license, which was suspended at the time of the activity took place, and is currently still suspended.)
1.3 OREA Investigator/Auditor Peter Bale (Bale) interviewed Lane and Dannelle Bernards (Bernards), at Lane’s house on December 17, 2013. Bernards said she and Lane met through work and began dating later. Bernards said that Zamanizadeh had been her friend for many years, and that she was the referring broker to Zamanizadeh for both of Lane’s properties.
1.4 On December 5, 2015, the following email was sent from Mark Mead’s email address addressed to Lane, “I have an appointment Friday at 10:00 with Jim in Salem so dropping by after that works great. It has taken this long to get this appointment so I think things can start to move forward. The listing is active so the more info I have the better. The buyer I have was waiting until I had this morning before he came down to take a look. I would
assume it would be after the 1st. I will keep you in the loop regarding a timeframe. Thanks for setting up a time for the pictures. Thank you Mark Mead Pacific NW Real Estate LLC 503-341-0319"

1.5 According to Zamanizadeh and Mead, Zamanizadeh drafted the email. She stated that she used Mead’s email account because she was having a tough time getting in touch with Lane. According to Zamanizadeh, Lane would respond to Mead, and believed, if Lane thought the email was coming from Mead rather than her, he would respond.

1.6 The email described above contained Mead’s signature block, and appeared to have been drafted by Mead.

Violation: By portraying herself to be Mead by sending the email from Mead’s email address and signed by Mead, in attempts to have Lane contact her, Zamanizadeh demonstrated incompetence or untrustworthiness in violation of ORS 696.301(12) (2013 Edition), which states a licensee may be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license.

1.7 On April 6, 2013, Zamanizadeh emailed Lane’s daughter with an attachment that contained some of Lane’s financial information. Lane’s daughter’s name was Tiffano Nino, and Zamanizadeh meant for the email to go to a bank employee with the name of Tiffany Stuart, who had asked her for Lane’s information for a transaction.

1.8 On April 6, 2013, Zamanizadeh wrote to Bernards, who had told her of the error. “Yes, that was by mistake, because there was email for the rent that she had to sign, the attachment was messed up. I did not fund out till lateron today that I was sending more paperwork to the bank Tiffany No?? Is his daughter!” [sic]

Violation: By mistakenly emailing Lane’s daughter an email containing some of Lane’s financial information, Zamanizadeh violated ORS 696.805(3)(f) (2013 Edition), which states, a seller’s agent owes the seller involved in a real estate transaction the following affirmative duties, f) to maintain confidential information from or about the seller except under subpoena or court order, even after termination of the agency relationship.

1.9 Relations between Zamanizadeh and Lane became strained and on July 28, 2013, Lane wrote to Zamanizadeh, informing her she was fired.
REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
LILI ZAMANIZADEH

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (OREA) and Lili Zamanizadeh (Zamanizadeh) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 Zamanizadeh was licensed as a principal broker with Pacific NW Realty LLC.

1.2 On October 7, 2013, OREA received a complaint from Cameron Lane (Lane). The complaint revolved around the conduct of Zamanizadeh and Mark Mead (Mead) regarding two transactions. (Mark Mead has a principal broker license, which was suspended at the time of the activity took place, and is currently still suspended.)

1.3 OREA Investigator/Auditor Peter Bale (Bale) interviewed Lane and Dannelle Bernards (Bernards), at Lane’s house on December 17, 2013. Bernards said she and Lane met through work and began dating later. Bernards said that Zamanizadeh had been her friend for many years, and that she was the referring broker to Zamanizadeh for both of Lane’s properties.

1.4 On December 5, 2015, the following email was sent from Mark Mead’s email address addressed to Lane, “I have an appointment Friday at 10:00 with Jim in Salem so dropping by after that works great. It has taken this long to get this appointment so I think things can start to move forward. The listing is active so the more info I have the better. The buyer I have was waiting until I had this morning before he came down to take a look. I would
assume it would be after the 1st. I will keep you in the loop regarding a timeframe. Thanks for setting up a time for the pictures. Thank you Mark Mead Pacific NW Real Estate LLC 503-341-0319“

1.5 According to Zamanizadeh and Mead, Zamanizadeh drafted the email. She stated that she used Mead’s email account because she was having a tough time getting in touch with Lane. According to Zamanizadeh, Lane would respond to Mead, and believed, if Lane thought the email was coming from Mead rather than her, he would respond.

1.6 The email described above contained Mead’s signature block, and appeared to have been drafted by Mead.

**Violation:** By portraying herself to be Mead by sending the email from Mead’s email address and signed by Mead, in attempts to have Lane contact her, Zamanizadeh demonstrated incompetence or untrustworthiness in violation of ORS 696.301(12) (2013 Edition), which states a licensee may be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license.

1.7 On April 6, 2013, Zamanizadeh emailed Lane’s daughter with an attachment that contained some of Lane’s financial information. Lane’s daughter’s name was Tiffano Nino, and Zamanizadeh meant for the email to go to a bank employee with the name of Tiffany Stuart, who had asked her for Lane’s information for a transaction.

1.8 On April 6, 2013, Zamanizadeh wrote to Bemards, who had told her of the error. “Yes, that was by mistake, because there was email for the rent that she had to sign, the attachment was messed up. I did not fund out till lateron today that I was sending more paperwork to the bank Tiffany No?? Is his daughter!” [sic]

**Violation:** By mistakenly emailing Lane’s daughter an email containing some of Lane’s financial information, Zamanizadeh violated ORS 696.805(3)(f) (2013 Edition), which states, a seller’s agent owes the seller involved in a real estate transaction the following affirmative duties, f) to maintain confidential information from or about the seller except under subpoena or court order, even after termination of the agency relationship.

1.9 Relations between Zamanizadeh and Lane became strained and on July 28, 2013, Lane wrote to Zamanizadeh, informing her she was fired.
1.10 On July 28, 2013, Zamanizadeh responded to Lane's email, "You will receive the
document that you need to sign and when I receive it I would cancel the listing." [sic] In the
same email to Lane, Zamanizadeh relays details concerning the short sale of Bernard's house,
a transaction Zamanizadeh handled. The details included financial information on Bernard's
transaction.

Violation: By including in the July 28, 2013 email to Lane, details of a previous
personal real estate transaction of Bernards, Zamanizadeh violated ORS 696.805(3)(f) (2013
Edition), which states, a seller's agent owes the seller involved in a real estate transaction the
following affirmative duties, f) to maintain confidential information from or about the seller
except under subpoena or court order, even after termination of the agency relationship.

2.

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

STIPULATION & WAIVER

I have read and reviewed the above findings of fact and conclusions of law which have
been submitted to me by OREA 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 OREA 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, in which case an
amended notice of intent may be issued in this matter. 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 Zamanizadeh's principal broker license be, and hereby
is, reprimanded.

IT IS SO STIPULATED:

LILI ZAMANIZADEH

Date NOV 22, 2015

IT IS SO ORDERED:

GENE BENTLEY
Real Estate Commissioner
Date 12.2.15

DATE of service: 12-2-15
REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
LAUREN ALEXANDRA HYLAND

STIPULATED FINAL ORDER

The Real Estate Agency (OREA) and Lauren Alexandra Hyland (Hyland) do hereby
agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Hyland was licensed as a property manager
working under the registered business name Cherry City Properties, LLC.

1.2 On July 17, 2014, OREA mailed Cherry City Properties, LLC a notice of a
mandatory mail-in clients' trust account audit, for the month of March 2014, for clients' trust
account ending in #6041.

1.3 On August 18, 2014, OREA received a copy of a reconciliation for clients' trust
account (CTA) security deposits ending in #6041, for the period ending March 31, 2014. The
reconciliation was prepared by Barbara Durham (Durham), bookkeeper for Chery City
Properties, dated April 11, 2014, and was signed by Hyland on April 11, 2014. On the
reconciliation, only part one was filled in, showing the reconciled bank balance of $18,548.97,
as of March 31, 2014. The totals for part two, the check register, and part three, tenants'
security deposits were left blank. Supporting documents showed security deposit balances for
twenty tenants, and totaled $13,321.38. No other supporting documentation was received.

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1.4 On September 4, 2014, Compliance Specialist, Lindsey Nunes (Nunes) emailed
Hyland to follow up on a voicemail Nunes had left for Hyland on August 20, 2014. In the email,
Nunes informed Hyland that she needed a complete bank statement and a completed trust
account reconciliation in order to complete the audit. Nunes also informed Hyland that the
security deposits ledgers did not seem to balance.

1.5 On September 17, 2014, Nunes sent an email to Hyland requesting reconciliation
information for the month of August 2014, for the CTA and the security deposits account.

1.6 On September 19, 2014, Hyland submitted another reconciliation for the security
deposits account ending in #6041, for the period ending March 31, 2014. The total for part one
of the reconciliation showed a reconciled bank balance of $21,021.30 as of March 31, 2014. A
review of the supporting documents showed this was an incorrect amount for the reconciled
bank balance. The correct amount of the reconciled bank balance should have been
$18,548.97. The total for part two of the reconciliation showed the balance of the check
register as of March 31, 2014, was $21,021.30. The actual amount showing on the check
register as of March 31, 2014, could not be determined as a copy of the check register was not
supplied as supporting documentation. The total for part three of the reconciliation showed the
totals of the tenants’ security deposit ledger was $83,714.02. According to the supporting
documentation submitted, several tenants had negative balances on their ledgers. According
to the reconciliation, the security deposit account was short by $62,692.72.

1.7 On September 19, 2014, Hyland submitted the reconciliations for the month of
August 2014, for the CTA and the security deposits account, as requested by Nunes.

1.8 For security deposit account ending in #6041, for the period ending in August 31,
2014, part one showed a balance of $73,546.59, an incorrect amount. The actual reconciled
bank balance as of August 31, 2014, was $44,888.55. The total for part two of the
reconciliation showed a balance of $73,546.59, also an incorrect amount. The actual balance
showing on the check register for this period was $44,888.55 as of August 31, 2014. Part
three of the reconciliation shows the total for the tenants’ security deposits ledger was
$75,742.84. This amount was incorrect and includes several tenant ledgers with negative
balances. According to Hyland’s reconciliation, the security deposits account was short
$2,196.25.
1.9 The reconciliation for CTA ending in #5303 for period ending August 31, 2014 contained similar errors as the security deposits account reconciliation.

**Violation:** By failing to properly complete the monthly reconciliations for CTA ending in #5303 and security deposits account ending in #6041, Hyland violated OAR 863-025-0025(20), and (21) (4/1/2013 and 5-15-14 Editions), which states a property manager must reconcile each CTA and security deposits account within 30 calendar days of the date of the bank statement. The reconciliation must contain three required components. Additionally, by failing to take corrective actions to resolve all adjustments to the monthly reconciliations Hyland violated, OAR 863-025-0025(22) (4/1/2013 and 5/15/14 Editions), which requires a property manager to take corrective action to resolve all adjustments made in a reconciliation prior to the next reconciliation or document the good faith efforts the property manager has taken to resolve the adjustment.

1.10 On October 9, 2014, Hyland met with OREA Investigator/Auditors Robert Pierce (Pierce) and Frances Hlawatsch. When Hyland was asked why there were negative balances on some of the owners' ledgers, Hyland admitted she paid bills for the property prior to there being sufficient funds in the owners ledger account. Hyland said she pays the owners their draw on or around the tenth day of each month and sometimes bills come in after the tenth. Hyland said she was too nice and did what needed to be done to prepare the properties for rent or to maintain them, sometimes letting the owner slide on paying the maintenance and repair bills for a time.

**Violation:** By making disbursements from the owners' CTA ending in #5303, which caused owners' ledgers to have negative balances Hyland violated OAR 863-025-0025(12) (9/1/11, 9/14/11, 4/1/13, and 5/15/14 Editions), which states a property manager must not disburse funds from a clients' trust account unless there are sufficient funds, in the ledger account against which the disbursement is made.

1.11 Hyland was asked to explain the tenant ledger for a tenant named Montiras in property #SO69. The ledger showed a security deposit received on April 15, 2011, in the amount of $500.00. Several disbursements were made during 2011, 2012, and 2014, that were listed as maintenance, lawn maintenance, and some identified only by the property address, with no description of purpose of the disbursement. Hyland acknowledged that this
tenant was still residing in the property. She explained according to the tenant lease
agreement, the tenant was responsible for maintaining the lawn and yard, but had not been
doing so. Hyland said she had to hire a landscaping company to clean it up, and had paid the
landscaper from the security deposits account.

1.12 When Hyland was asked why she had allowed the tenant to violate the lease
agreement for over three years, and had not been billed to replace the security deposit, she
replied that the tenant did not speak English and the lease agreement had been negotiated by
the tenant’s employer. She said she decided she would just pay for the landscaper herself if
she couldn’t get the money from the tenant.

1.13 Hyland was asked if the property owner was aware the tenants’ security deposit
had already been used, and there was no longer a security deposit being held for his property.
Hyland replied, “Probably not.”

Violation: By failing to specify the purpose of all disbursements on the tenants ledgers
(SO69 tenant Montiras), Hyland violated OAR 863-025-0050(4)(e)(E) (9/1/11, 9/14/12 and
4/1/13 Editions), which state the tenant ledger must contain for each disbursement of funds,
the purpose of the disbursement.

Violation: By failing to take action against a tenant who was failing to maintain the
ORS 696.890(4)(f) (2013 Edition), which states, a property manager owes the property owner
the following affirmative duties, (f) to be loyal to the owner by not taking action that is adverse
or detrimental to the owner’s interest.

1.14 When Hyland met with Pierce on October 9, 2014, Hyland admitted she was
transferring money from the security deposit account #6041 to the owners’ CTA #5303 to
cover shortages in the owners CTA. Hyland said she took out a loan and paid the money back
into the security deposit account to make up the shortfall.

Violation: By using funds from the security deposit CTA to cover checks written on the
Edition), which states a property manager owes the property owner the following affirmative
duties, (e) to act in a fiduciary manner in all matters relating to trust funds. Additionally, Hyland
violated OAR 863-025-0030(1) (9-1-11, 9-14-12, 4-1-13, and 5-15-14 Editions) which state,
except as provided in section (3) of this rule, all tenants' security deposits received by a
property manager must be deposited and maintained in a security deposit account until: (a) the
property manager forwards the tenants' security deposit to the owner of the property according
to the terms of the tenants' rental or lease agreement and the property management
agreement; (b) the property manager disburses the tenant's security deposit for purposes
authorized by the tenant's rental or lease agreement and the property management
agreement, (c) the property manager refunds a deposit to the tenant according to the terms of
the tenant's rental or lease agreement and the property management agreement; or (d) the
property management agreement is terminated and the property manager transfers the
tenant's security deposit to the owner unless the owner directs the property manager in writing,
to transfer the security deposits and fees to another property manager, escrow agent or
person.

1.15 Hyland identified and corrected the errors contained in her ledgers and
reconciliations and on March 16, 2015, OREA received from Hyland the security deposit
account reconciliation for account ending in #6041 for the period ending January 31, 2015.
This reconciliation indicated a shortage of only $60.30. Hyland explained that this shortage
was due to previously charged bank fees and that she had written a check to replace the fees
after the reconciliation was complete.

1.16 On March 16, 2015, OREA also received, the reconciliation for CTA ending in
#5303 for the period ending January 31, 2015. The documentation showed a shortage to be
$473.25, from check orders and bank fees. Hyland deposited a check from her operating
account for that amount to balance the CTA. However, the owners' ledger showed 23 owners
with negative ledger balances. Hyland acknowledged she is working on collecting the money
from the owners, and if unable to, she will need to make efforts to replenish the money using
her personal funds. At this time, based on the negative owner ledger balances, there still is a
shortage in the clients' trust account ending in #5303.
2.

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

STIPULATION & WAIVER

I have read and reviewed the above findings of fact and conclusions of law which have been submitted to me by OREA 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 OREA 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 Hyland’s property manager license be, and hereby is reprimanded.

IT IS FURTHER ORDERED that Hyland complete the 27 hour Property Manager Advanced Practices course, (detailed in OAR 863-022-0022) by March 31, 2016. Hyland must submit documentation, such as a certificate to OREA showing completion of the 27-hour Property Manager Advanced Practices course. This documentation must be submitted to OREA by April 30, 2016.

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6 of 7 – Stipulated Final Order- Lauren Alexandra Hyland
IT IS FURTHER ORDERED that Hyland submits reconciliations and supporting documentation for CTA ending in #5303, and security deposits account ending in #6041 for the months of December 2015, and March 2016. These reconciliations and supporting documentation must be submitted to OREA Investigator/Auditor Pierce for review. The December 2015 reconciliations for both the CTA ending in #5303 and security deposits account ending in #6041 must be submitted to OREA by January 31, 2015. The March 2016 reconciliations for CTA ending in #5303 and security deposits account ending in #6041 must be submitted to OREA by April 30, 2016.

IT IS SO STIPULATED:

LAUREN ALEXANDRA HYLAND

Date 11-30-15

IT IS SO ORDERED:

GENE BENTLEY

Real Estate Commissioner

Date 12-3-15

DATE of service: 12-3-15

7 of 7 – Stipulated Final Order- Lauren Alexandra Hyland
REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
LEEANNA RAE CARTWRIGHT STIPULATED FINAL ORDER

The Oregon Real Estate Agency (OREA) and Leanna Rae Cartwright (Cartwright) do hereby agree and stipulate to the following:

FINDINGS OF FACT

&

CONCLUSIONS OF LAW

1.

1.1 Cartwright's property manager license expired on December 1, 2013. Prior to her license expiring, Cartwright's license was associated with South Fork Property Management. On December 1, 2014, Cartwright's property management license lapsed.

1.2 On November 8, 2013, OREA received a complaint from Jack Pedersen, owner of two apartment buildings that had been managed by South Fork Property Management. The complaint alleged several things which included, missing monthly statements and rents.

1.3 On January 6, 2014, OREA opened an investigation.

1.4 On April 21, 2014, OREA Investigator/Auditor Aaron Grimes (Grimes) went to Cartwright's home to obtain records relating to Pedersen's allegations. Cartwright was not home, so Grimes left a demand letter for documents and bank information in the mailbox with a response due date of the end of business, for April 28, 2014. The mailbox was painted with reference to South Fork Property Management.

1.5 Grimes made several more contact attempts trying to reach Cartwright. Cartwright failed to respond to any of Grimes' attempts to contact her during the investigation.

///

1 of 3 – Stipulated Final Order- Leeanna Rae Cartwright
1.6 An internet search on October 7, 2015, showed advertisement for South Fork Property Management on Facebook.

Violation: By continuing to advertise South Fork Property Management on Facebook, and continuing to have signage for South Fork Property Management on the mailbox, Cartwright conducted management of rental real estate, after her license expired, in violation of ORS 696.020(2), which states an individual may not engage in, carry on, advertise or purport to engage in or carry on professional real estate activity, or act in the capacity of a real estate licensee, within this state unless the individual holds an active license.

2.

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

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

STIPULATION & WAIVER

I have read and reviewed the above findings of fact and conclusions of law which have been submitted to me by OREA 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 OREA 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, in which case an amended notice of intent may be issued in this matter. 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 and based upon the violation above, Cartwright 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 OREA.

IT IS FURTHER ORDERED that Cartwright will not apply for an Oregon real estate license in the future, and Cartwright will not conduct management of rental real estate activity in Oregon.

IT IS SO STIPULATED:

LEEANNA RAE CARTWRIGHT

Date Dec. 8, 2015

IT IS SO ORDERED:

GENE BENTLEY
Real Estate Commissioner
Date 12-16-15

DATE of service: 12-16-2015

3 of 3 – Stipulated Final Order- Leeanna Rae Cartwright
REAL ESTATE BOARD
REGULATION DIVISION REPORT
February 1, 2016

Regulation Division Manager: Selina Barnes
Compliance Specialist 3 (Compliance Coordinator): Deanna Hewitt
Financial Investigators (Investigator-Auditor): Peter Bale, Jeremy Brooks, Aaron Grimes,
Frances Hlawatsch, Philip Johnson, Meghan Lewis, Rob Pierce
Compliance Specialist 2: Carolyn Kalb
Compliance Specialists 1: Denise Lewis, Lindsey Nunes, Danette Rozell
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: mail-in audits of licensee’s clients’ trust accounts (CTA), continuing education (CE) audit investigations, expired activity investigations, background checks and self-administered compliance reviews. They also respond to inquiries regarding regulations and filing complaints from the public, licensees, and other governmental agencies.

Workload and Activity Indicators

<table>
<thead>
<tr>
<th>Current Status 2015</th>
<th>Average Q1</th>
<th>Average Q2</th>
<th>Average Q3</th>
<th>Average Q4</th>
</tr>
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<tbody>
<tr>
<td>Mail-in CTA Audits</td>
<td>86</td>
<td>67</td>
<td>56</td>
<td>64</td>
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<tr>
<td>Renewal Investigation</td>
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<td>4</td>
<td>4</td>
<td>0</td>
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<tr>
<td>Background Check Investigation</td>
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<td>6</td>
<td>6</td>
<td>6</td>
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<td>Complaint Investigation</td>
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<td>44</td>
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<tr>
<td>Admin Review</td>
<td>45</td>
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<td>55</td>
<td>52</td>
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<td>Settlement Process</td>
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<td>18</td>
<td>15</td>
<td>36</td>
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<tr>
<td>Pending Admin Action</td>
<td>10</td>
<td>6</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Hearing</td>
<td>15</td>
<td>13</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>Appeal</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

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 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 protects consumer expectations, as it summarizes key information about the interest for sale. (Using a car lot as an analogy, the Disclosure Statement is a combination of both the window sticker and the owner’s manual.)

Workload and Activity Indicators:

Current Projects:
Design of website section related to Land Development.

Rulemaking Update:
Request for approval of the proposed fee increase will be a heard by the Transportation and Economic Development subcommittee of Ways and Means on February 4th at 3PM.

On October 6th, 2015 this office met with stakeholder representatives to present the proposed rule and answer questions. The response was favorable, in that there were no objections. One person suggested a stepped-in fee increase, under the assumption that we had not already calculated operation costs, but this issue was answered (we performed the calculations prior to beginning work on the rule change). On October 15th, 2015, a notice letter was sent out by the agency to everyone who filed for a condominium-related approval in the last 5 years. Public comment commenced on October 15th. Notice of Rulemaking regarding the section fee increase was filed with the Secretary of State’s office in the last week of October 2015. Notice was then published November 1st in the November edition of the Oregon Bulletin. A public hearing was held at the Real Estate Agency on December 21st, 2015, at which no one appeared. The final date for
comment was the 21st of December. During the public comment period we received a total of 3 communications regarding the proposed fee increase, two of which were supportive, and one of which was a request for a stepped fee increase that wasn’t pursued once the commenter realized the fee was based on analysis (and not a rough estimate of agency costs) for operating the program.
Manager: Dean Owens

**Division Overview**
This division carries out the Agency’s mission by providing for the advancement of education and research in connection with the educational requirements for the securing of licenses for real estate licensees. The division does this by approving pre-license and post-license courses, certifying continuing education providers, developing and maintaining exams and test items, developing informational publications and providing customer services via phone and electronic mail.

**Workload and Activity Indicators**

<table>
<thead>
<tr>
<th>Exams Administered</th>
<th>DEC 2015</th>
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<td>ALL LICENSING EXAMS Total</td>
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<td>Broker</td>
<td>291</td>
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<tr>
<td>Property Manager</td>
<td>18</td>
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<tr>
<td>Principal Broker</td>
<td>36</td>
</tr>
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</table>

**Pass Rates**

PSI, the Agency’s examination provider, implemented the following new examinations on January 1, 2013:
- Broker State: 50 items, Broker National: 80 items
- Principal Broker State: 50 items, Principal Broker National: 80 items
- Property Manager: 130 items

<table>
<thead>
<tr>
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<td>Jan</td>
<td>Feb</td>
<td>Mar</td>
<td>Apr</td>
<td>May</td>
<td>Jan</td>
<td>Feb</td>
<td>Mar</td>
<td>Apr</td>
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<tr>
<td>Broker State</td>
<td>76</td>
<td>65</td>
<td>72</td>
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<td>71</td>
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<td>Broker National</td>
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<td>Principal Broker (pre 1/1/13)</td>
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<td>n/a</td>
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<td>Principal Broker State (post 1/1/13)</td>
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<td>46</td>
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<td>Principal Broker National (post 1/1/13)</td>
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<td>86</td>
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<td>84</td>
<td>71</td>
<td>83</td>
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<tr>
<td>Property Manager</td>
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<td>Nov</td>
<td>Dec</td>
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<tr>
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<td>Property Manager</td>
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<td>56</td>
<td>63</td>
<td>76</td>
<td>58</td>
<td>54</td>
<td>50</td>
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</tbody>
</table>

*Pass rate statistics include exam candidates from all schools. Exam candidates may have completed the course prior to the new course requirements effective January 1, 2013.
Manager: Dean Owens
Accountant: Caty Karayel
Systems Administrator: Tiffani Miller
Efficiency Specialist: Anna Higley
Program Analyst: Madeline Alvarado
Licensing Specialists: Tami Schemmel and Ruslan Putintsev
Receptionist: Sue Davenhill

Section Overview
The Business and Licensing Services Division acts as support to the Agency. This division manages budget/allotment preparation, accounting, purchasing and contracting, inventory control, facilities, payroll, special projects, Information Technology (IT), and licensing services.

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. Please see related statistics on the following page.

2015 Budget Update
Personal Services: No estimated remaining limitation;
- The Agency’s Information Systems Specialist 3 position is eliminated in the 2015 budget.
- Services & Supplies: Remaining limitation of $488,651.
- Agency Budget – total savings of $468,318 of our limitation.

Revenue: The final revenue for the 13-15 biennium is $5.67 million. The Agency began the biennium with a balance of $1.9 million (cash reserves). Five months of operating expenses would total approximately $1.2 million. The Agency has ended the biennium with a $1.0 million ending balance.

Licensing Statistics
Total Licenses:

<table>
<thead>
<tr>
<th>Individuals (Persons)</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broker - Total</td>
<td>12,977</td>
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<tr>
<td>Active</td>
<td>11,359</td>
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<tr>
<td>Inactive</td>
<td>1,618</td>
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<tr>
<td>Principal Broker - Total</td>
<td>6,402</td>
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<tr>
<td>Active</td>
<td>5,989</td>
</tr>
<tr>
<td>Inactive</td>
<td>413</td>
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<tr>
<td>ALL BROKERS Total</td>
<td>19,379</td>
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<tr>
<td>Active</td>
<td>17,348</td>
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<tr>
<td>Category</td>
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<tr>
<td>------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Property Manager</td>
<td>791</td>
</tr>
<tr>
<td>Total</td>
<td>854</td>
</tr>
<tr>
<td>MCC Salesperson</td>
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</tr>
<tr>
<td>MCC Broker</td>
<td></td>
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<tr>
<td><strong>TOTAL INDIVIDUALS</strong></td>
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<tr>
<td>Facilities (Companies)</td>
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<td>REMO</td>
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<tr>
<td>Registered Business Name (RBN)</td>
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<tr>
<td>Registered Branch Office (RBO)</td>
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<td>Escrow Organization</td>
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<td>PBLN</td>
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<td>PMLN</td>
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<td><strong>CEP</strong></td>
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<tr>
<td><strong>TOTAL FACILITIES</strong></td>
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<tr>
<td><strong>TOTAL INDIVIDUALS &amp; FACILITIES</strong></td>
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**New Licenses:**

<table>
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<tr>
<th>Category</th>
<th>Dec-15</th>
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<tbody>
<tr>
<td>Individuals (Persons)</td>
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<td>Broker</td>
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<td><strong>TOTAL BROKERS</strong></td>
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<td>Property Manager</td>
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<tr>
<td>MCC Salesperson</td>
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<td>MCC Broker</td>
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<td><strong>TOTAL INDIVIDUALS</strong></td>
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<tr>
<td>Facilities (Companies)</td>
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<td>REMO</td>
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