



Oregon

Kate Brown, Governor

AGENDA ITEM NO.

I.C.

Real Estate Agency
Equitable Center
530 Center St. NE, Suite 100
Salem, Oregon 97301-2505
Phone: (503) 378-4170
Regulations Fax: (503) 373-7153
Admin. Fax: (503) 378-2491
www.oregon.gov/rea

OREGON REAL ESTATE BOARD

Regular Meeting Agenda
Oregon Real Estate Agency
Equitable Center
530 Center St. NE, Suite 100
Salem, OR 97301
Monday, April 3, 2017

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

I. BOARD BUSINESS – Chair Edwards

- A. Call to Order
- B. Chair Edwards comments/Roll Call
- C. Approval of the Agenda and Order of Business
- D. Approval of 4.3.17, regular meeting minutes
- E. Date of the Next Meeting: 6.5.17 to begin at 10am in Lincoln City, venue to be announced.

II. PUBLIC COMMENT – Chair Edwards

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

III. REQUESTS FOR WAIVERS – Chair Edwards. Log.

- A. Shu Merritt requests experience waiver for principal broker license.

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

- A. Envoy Mortgage Ltd, request to become certified education provider, Andrew Varcak will appear.
- B. Oregon Rental Housing Association, request to become certified education provider, Jann Pate to appear.

V. NEW BUSINESS – Chair Edwards.

VI. COMMUNICATIONS – Administrative Actions Summary – Chair Edwards

VII. REPORTS – Chair Edwards

- A. Commissioner Gene Bentley
- B. Agency division reports-Deputy Commissioner Dean Owens
 1. Regulation Division – Selina Barnes
 2. Land Development Division – Michael Hanifin
 3. Education, Business and Technical Services Division – Anna Higley and Maddy Alvarado

VIII. ANNOUNCEMENTS – Chair Edwards. Next board meeting: 6.5.17 to begin at 10am in Lincoln City, venue to be announced.

IX. ADJOURNMENT – Chair Edwards

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



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State of Oregon Real Estate Agency

REAL ESTATE BOARD

Regular Meeting Minutes

February 6, 2017

MEMBERS PRESENT:

Marcia Edwards, Chair
Lawnæ Hunter
Joann Hansen
Pat Ihnat
Dave Koch
Alex MacLean
Dave Hamilton

STAFF PRESENT:

Coni Rathbone, excused
Jef Farley, Vice-Chair, excused

GUESTS PRESENT:

Stacey Harrison, Superior A1 Schools
Jihun Han, OAR
John Wallace, OAR
Lane Mueller, Keller Williams
Katherine Myers, Fairway Independent Mortgage

I. BOARD BUSINESS-Chair Edwards

- A. **Call to Order.** Chair Edwards called the meeting to order at 10am
- B. **Chair Edwards comment/Roll Call.** Chair Edwards asked board liaison to take roll call, board members, OREA staff and audience members to introduce themselves.
- C. **Approval of Agenda and Order of Business.** Agenda and Order of Business were approved as submitted.

MOTION TO APPROVE AGENDA AND ORDER OF BUSINESS AS SUBMITTED BY JOANN HANSEN

SECOND BY PAT IHNAT

MOTION CARRIED BY UNANIMOUS VOTE

- D. **Approval of 12.05.16, regular meeting minutes.** 12.05.16 regular meeting minutes were approved as submitted.

MOTION TO APPROVE 12.05.16 REGULAR MEETING MINUTES BY JOANN HANSEN

SECOND BY PAT IHNAT

MOTION CARRIED BY UNANIMOUS VOTE

- E. **Date of next meeting: 4.3.17 at the Oregon Real Estate Agency, Equitable Center, 530 Center St. NE, Suite 100, Salem, OR 97301 to begin at 10am**

II. PUBLIC COMMENT. None

III. REQUESTS FOR WAIVER-Chair Edwards. None.

- IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER-Chair Edwards.** CEP Log
- A. Systems Effect L.L.C. dba Training Cove, Steven Jordan to appear.** Mr. Jordan appeared by phone and explained that Systems Effect LLC is a distance learning company that has been in business since 2008 and is currently approved to provide real estate continuing education courses in Arizona, Kansas, Minnesota, Missouri, and Ohio. He also stated that the courses offered cover the following acceptable topics: Principal broker record keeping and supervision, trust accounts, agency relationships, misrepresentation, disclosure, contracts, appraisal, fair housing, risk management, water rights, environmental protection, land use, real estate law, negotiation, and others. Dave Koch asked Mr. Jordan if a tracking device was in place to monitor class time and he responded that there is a timer in place to verify that students meet the required course time. Alex MacLean asked Mr. Jordan if there is a resource for student assistance with questions they might have and Mr. Jordan responded that there is a FAQ information, email system, and staff available for students.

**MOTION TO APPROVE THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER
SUBMITTED BY SYSTEMS EFFECT LLC DBA TRAINING COVE BY DAVE KOCH
SECOND BY ALEX MACLEAN
MOTION CARRIED BY UNANIMOUS VOTE**

- B. American Dream Real Estate School, L.L.C., Herbert Nagamatsu to appear by phone.** Herbert Nagamatsu appeared by phone and explained that American Dream Real Estate School created, administered and delivered online courses and training programs to students since 2005. He also stated that the courses offered cover the following acceptable topics: Contracts, Risk Management, and real estate finance. Dave Koch asked Mr. Nagamatsu how he derived the questions for the courses and he responded that the topics covered meet with rule and law. Alex MacLean asked Mr. Nagamatsu how students communicate with instructors he responded that contact information for instructors is posted online for students. Mr. Koch asked Mr. Nagamatsu how class time was tracked and he responded timing mechanisms were in place behind the scenes. Mr. Koch also asked Mr. Nagamatsu to explain his record keeping process and he responded records are kept for minimum of 3 years and backup for seven years.

**MOTION TO APPROVE THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER
SUBMITTED BY AMERICAN DREAM REAL ESTATE SCHOOL LLC BY DAVE HAMILTON
SECOND BY PAT IHNAT
MOTION CARRIED BY UNANIMOUS VOTE**

- C. Asset Preservation, Inc., Elisa Mas to appear by phone.** Elisa Mas appeared by phone and explained that Asset Preservation, Inc. has provided 1031 exchange courses for continuing education to real estate professionals all over the nation for over 25 years and was also approved to teach continuing education courses in Texas, New York, Florida, Colorado, Washington, Oklahoma, New Jersey, and Arizona as well as Oregon, previously. She also stated that the courses offered cover the following acceptable topics: Real estate taxation and Real Estate Finance. Alex MacLean asked Ms. Mas when her company was certified and she responded approximately one year ago. Mr. MacLean also asked Ms. Mas if her company was currently certified and if not, to explain the gap in time. Ms. Mas explained the previous administrator was expired and now they want to be certified again.

**MOTION TO APPROVE THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER
SUBMITTED BY ASSET PRESERVATION, INC. BY PAT IHNAT
SECOND BY JOANN HANSEN
MOTION CARRIED BY UNANIMOUS VOTE**

- D. Military Mortgage Boot Camp, Jay McMaken to appear by phone.** Mike Fischer appeared by phone and explained the current class offered is a 2 or 3 hour version which covers appraisal, VA assistance, and transaction coordination. Chair Edwards asked Mr. Fischer which acceptable topics were covered in the courses offered and he responded that consumer protection was the topic covered. Dave Hamilton stated

he would like to see Oregon's program incorporated in the course and Mr. Fischer responded they could incorporate Oregon's program. Chair Edwards clarified that although, incorporating Oregon's program was not a requirement or contingency, it was encouraged.

**MOTION TO APPROVE THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER
SUBMITTED BY MILITARY MORTGAGE BOOTR CAMP BY JOANN HANSEN
SECOND BY DAVE HAMILTON
MOTION CARRIED BY UNANIMOUS VOTE**

- E. Fairway Independent Mortgage Corp., Kate Myers to appear.** Kate Myers appeared before the board and explained Fairway Independent Mortgage Corp. was one of the mortgage companies that is allowed to handle VA loans. Chair Edwards asked Ms. Myers which acceptable course topics are covered in their courses and she responded that real estate finance was the topic offered. Dave Koch asked Ms. Myers if there was a record keeping mechanism in place and she responded there is an administrator who would be assigned the record keeping duties.

**MOTION TO APPROVE THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER
SUBMITTED BY FAIRWAY INDEPENDENT MORTGAGE CORP. BY DAVE HAMILTON
SECOND BY LAWNAE HUNTER
MOTION CARRIED BY UNANIMOUS VOTE**

- V. NEW BUSINESS-Chair Edwards. None.** Chair Edwards introduced *Exhibit A* (Written testimony to Ways and Means Joint Committee) regarding SB 68 and the recommendation from the board in support of this bill.

**MOTION TO RECOMMEND AGENCY SUBMIT EXHIBIT A (WRITTEN TESTIMONY) TO WAYS AND
MEANS JOINT COMMITTEE HEARING WITH MODIFICATIONS (HB5037 RATHER THAN SB 68, REP.
GROMBERG INSTEAD OF SEN. RICHARD DEVLIN CO-CHAIR) BY DAVE KOCH
SECOND BY MARCIA EDWARDS
MOTION CARRIED BY UNANIMOUS VOTE**

VI. COMMUNICATIONS – Administrative Actions Summary-Chair Edwards

VII. REPORTS-Chair Edwards

A. Commissioner Gene Bentley

- Summary of license counts/statistics
- Legislation Update

- Commissioner Bentley provided *Exhibit B* (OREA Statute Review Group and Fee Increase Presentations) and *Exhibit C* (One page summary of SB 67 and SB 68). Joann Hansen asked Commissioner Bentley when it was appropriate to assess a license extension fee and he responded that fee was applied when a license become incapacitated and a family member takes over their responsibilities. Ms. Hansen also asked Commissioner Bentley to explain the RBN (Registered Business Name) renewal fee and he responded this fee is applied when a business changes their name. He also announced that the Agency would be delivering the budget presentation on 2.9.17 at 1pm and invited all board members to attend.
- Mr. John Wallace expressed his compliments to Commissioner Bentley for the high level of transparency during the fee increase process.
- OAR Professionalism Group meeting was held on 1.17.17 to discuss list of concerns and the goal to have an advanced practices course as a requirement for Principal Brokers. John Wallace stated that OAR was in the process of creating a Principal Broker academy and was hopeful it would be rolled out by first of next year.
- Commissioner Bentley also announced that the Governor has assigned Jason Lee Beery as the new Policy Advisor to the Agency effective 2.21.17.

B. Agency division reports-Deputy Commissioner Dean Owens

1. **Regulation Division-Selina Barnes.** Ms. Barnes summarized the statistics provided in her division handout and announced that Lisa Montellano joined the Agency as a new Financial Investigator, Lindsey Nunes has been working out of class as a Financial Investigator, and Sue Davenhill is also working out of class as a Compliance Specialist.
2. **Land Development Division-Michael Hanifin.** Mr. Hanifin summarized the statistics provided in his division handout and explained the division is focused legislation. He also explained the bill tracking process.
3. **Education, Business and Technical Services Division-Anna Higley and Maddy Alvarado.** Ms. Alvarado explained that the division has taken on the Education division the staff were in the process of identifying processes with the focus being timing mechanism being in place for class time for students. She also announced that Nenah Darville joined the Agency as new receptionist and summarized the statistics provided in the division handout. Deputy Commissioner Owens provided a budget update.

VIII. ANNOUNCEMENTS-Chair Edwards. Next board meeting: 4.3.17 at the Oregon Real Estate Agency, Equitable Center, 530 Center St NE, Salem, OR 97301

IX. ADJOURNMENT

Respectfully submitted:

Respectfully submitted:

GENE BENTLEY, COMMISSIONER

MARCIA EDWARDS, CHAIR

Exhibits distributed:

- A. **Exhibit A** Written testimony to Ways and Means Joint Committee, *Agenda Item No. V*
- B. **Exhibit B** OREA Statute Review Group and Fee Increase Presentations, *Agenda Item No. VII. A.*
- C. **Exhibit C** One page summary of SB 67 and SB 68, *Agenda Item No. VII. A.*

February 6, 2017

Rep. David Gromberg, Sen. Betsy Johnson Co-Vice Chair and all members of the Joint Committee on Ways and Means, thank you for this audience. I speak to you on behalf of the Oregon Real Estate Board. Today the Board unanimously endorsed the following statement:

The Oregon Real Estate Board supports House Bill 5037 and the increase of licensing fees therein. It has been our observation that the Oregon Real Estate Agency has been an exemplary steward of the funds received from applicants and licensees in the State over past years. More recently, the Agency has navigated exceptionally tumultuous economic times while remaining steadfast in their duties to the State. As practitioners, we appreciated The Agency's recognition of our challenges, and the effort to refrain from overburdening the real estate industry with the increase until post-recession. Now it is time to introduce the increase in fees to continue to be a viable, sustainable user-fee funded Agency.

Thank you for your consideration.



Marcia Edwards, Chair of the Oregon Real Estate Board 2017
Principal Broker at Windermere Real Estate of Lane County
3011 N Delta Hwy Suite #103
Eugene, OR 97401
me@marciaedwards.com/541-221-1454

OREA 2016 Statute Review Group**Members**

OREA Board			Firm
Jef Farley	Residential Commercial	Pendleton	Coldwell Banker Whitney & Associates
Pat Ihnat	Escrow	Portland	Fidelity National Title
Dave Koch	Residential past OAR President	Portland	Re/Max Equity Group
Alex MacLean	Commercial	Portland	Commercial Realty Advisors NW

Agency			Firm
Gene Bentley		Salem	OREA
Dean Owens		Salem	OREA
Selina Barnes		Salem	OREA
Michael Hanafin		Salem	OREA
Mesheal Heyman		Salem	OREA

Oregon Association of Realtors			Firm
John Wallace	OAR CEO	Salem	Oregon Association of Realtors
Shawn Cleave	OAR Staff Lobbist	Salem	Oregon Association of Realtors
Donald Robertson	Prior Gov Aff Chair	Lebanon	Heritage NW Real Estate
Eva Sanders	Past OAR President	Portland	Meadows Group, Inc.
Vikki Breese-Iverson	Gov Aff Chair	Bend	Windermere Central Or
Steve Strode	Bus Iss Chair/ 2018 President	Portland	RE/MAX Equity Group
Debra Gisriel	2016 OAR President	K Falls	Fisher Nicholson Realty
George Grabenhorst	2017 OAR President	Salem	Sperry Van Ness Commercial Advisors, LLC
Shaun Jillions	Contract Lobbist	Portland	Deckert Jillions LLP

Industry			Firm
Dave Hamilton	Prop Mgmt	Portland	Norris & Stevens
Steve Lucas	Brokerage	Portland	Oregon Realty Co.
Bob LeFeber	Past Commercial Association President	Portland	Commercial Realty Advisors NW
Lynae Forbes	Brokerage firm President	Portland	Hasson Company
Deborah DuFresne	Brokerage	Portland	RE/MAX EQUITY GROUP WEST HILLS
Richard Caplan	Brokerage/2015 OAR President	Portland	Windermere Stellar
Alan Mehrwein	Brokerage firm President	Portland	ReMax Equity Group

Legislature			Firm
Sal Esquivel	Oregon Legislature	Medford	ESQUIVEL & ASSOCIATES, LLC

LFO & BAM			Firm
Michelle Deister	LFO Analysis	Salem	State Legislature
Robert Otero	Policy and Budget Analyst	Salem	DAS Chief Financial Office

Oregon Real Estate Agency**List of presentations regarding Proposed Agency Fee Increases**

<u>Date</u>	<u>Group</u>
9/18/2015	PMAR Risk Management Group
9/29/2015	Business Issues Committee
9/30/2015	OAR Board of Directors
1/20/2016	ORS 696 Review Work Group
1/29/2016	Norris, Beggs & Simpson - President
4/20/2016	OAR Executive Committee
4/21/2016	OAR Business Issues Committee
4/22/2016	OAR Board of Directors
4/17/2016	Berkshire Hathaway RE Services - President
6/3/2016	Hasson com. - President & Chairman
6/7/2016	OAR 2017 President-Elect
6/9/2016	Corvallis Principal Brokers Group
6/10/2016	OAR - CEO
6/15/2016	ReMax/EquityGroup - President
6/24/2016	PMAR 2016 President
8/5/2016	PMAR - CEO
9/16/2016	PMAR Risk Management Group
9/28/2016	OAR Executive Committee
9/29/2016	OAR Business Issues Committee
9/30/2016	OAR Board of Directors
1/23/2017	Commercial Association of Brokers

<u>Date</u>	<u>Oregon Real Estate Board Meetings</u>
8/3/2015	Salem
10/5/2015	Ontario
12/7/2015	Coos Bay
2/1/2016	Salem
4/4/2016	Florence
6/6/2016	Bend
8/1/2016	Pendleton
10/3/2016	Tigard
12/5/2016	Salem



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SB 67 – Housekeeping

What the measure does: LC 696 makes technical fixes to Chapter 696, including updates to language and references and reorganization of some material for readability.

This measure also removes the requirement that a principal real estate broker or real estate broker create a client trust account when they act as a courier by taking a check made out to the seller or lessor from a purchaser or lessee for the purpose of conveying same to the seller or lessor.

This measure also provides that a licensed real estate property manager may not solicit a potential tenant unless they have a written property management agreement with the lessor.

Background: The technical fixes in this concept are the result of a comprehensive review of ORS chapter 696 made to ensure alignment of the language, references and processes described in the chapter.

Clarification of the duty to create a client trust account when conveying funds from a purchaser/lessee to a seller/lessor was an issue raised by the regulated community in the course of providing input on this concept. Under current law, brokers are required to create a client trust account even when they are acting as a courier by conveying a check made payable to seller or lessor from a purchaser or lessee. A check made payable to seller or lessor does not allow the broker to cash the check or place the funds represented by the check in a client trust account, therefore requiring creation of a client trust account in this circumstance does not provide value to the regulated community or those served by the regulated community.

Soliciting a tenant or representing tenants in locating a suitable property for lease is a broker activity. This measure clarifies this by providing that a licensed real estate property manager may only solicit tenants for properties for which the property manager has a written property management agreement.

Solution: Concept synchronizes terminology and references within Chapter 696, improves readability, and makes technical fixes to issues discovered in the course of applying existing law and through communication with the regulated community.

Contact: Michael Hanifin (503) 378-4632
REA Legislative Coordinator
Michael.b.hanifin@state.or.us



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SB 68 – OREA Fee Increase

What the measure does: The purpose of this bill is to update fees paid to the Agency for professional licenses and other associated fees. It is linked to Policy Option Package 101 in the Agency's 2017-19 Governor's Balanced Budget. The updated fees will provide sufficiency for the Oregon Real Estate Agency to achieve its mission of providing quality protection for Oregon consumers of real estate, escrow and land development, balanced with a professional environment conducive to a healthy real estate market.

Background:

- The last major update to the Agency's fees occurred during the 1997-99 biennium, although some fees such as: temporary licenses, branch office registrations, inactive license renewals, and late fees have remained unchanged since the 1970s and early 1980s.
- In the early 2000s rapidly growing home values contributed to a record number of licensees, fees from which provided an ending balance that helped to support Agency operations through 2015-17. Until this ending balance was spent down, a fee increase was neither necessary nor justified.
- The Agency's ending balance has been diminishing since the real estate market instability in 2008. OREA has managed to maintain operations through the use of its ending balance along with cost cutting measures including reductions to services and supplies, rent, and holding open vacant positions as long as possible, within reasonable operational needs.
- As a result of the 2008 economic recession, real estate licenses dropped by 30 percent and have recovered by approximately 15 percent. Currently, there are approximately 21,000 licensees in Oregon. This level of licensees is more reflective of a normal real estate market.
- While market indicators signal that the industry has rebounded, revenue projections in the 2017-19 biennium are not enough to support continually increasing inflationary costs associated with personnel, DOJ and state government service charges. Personnel costs comprise approximately 77% of the Agency budget; these costs specifically include: health care, annual step increases, cost of living adjustments and other related payroll expenses.

Solution: Below is a list of fees proposed in SB 68:

- | | |
|--|--|
| • License Applications from \$230 to \$300 | • Escrow Renewal Fee from \$300 to \$450 |
| • Active License Renewal from \$230 to \$300 | • Escrow Branch Office Renewal from \$150 to \$225 |
| • Inactive License Renewal from \$110 to \$150 | • Temporary License Fee from \$40 to \$150 |
| • Late Renewal Fee from \$30 to \$150 | • Temporary License Extension Fee from \$40 to \$150 |
| • Reactivation Fee from \$75 to \$150 | • Registered Business Name Renewal Fee established at \$50 |
| • Business Name Registration Fee from \$230 to \$300 | • Registered Business Name Change Fee established at \$300 |
| • Branch Office Registration Fee from \$10 to \$50 | • Continuing Ed. Provider Application established at \$300 |
| • Escrow Application Fee from \$300 to \$450 | • Continuing Ed. Provider Renewal established at \$50 |
| • Escrow Branch Of. Application from \$150 to \$225 | • Address Change Fee abolished at \$10 |
| | • License Print Fee abolished at \$20 |

The bill allows the Agency to operate sustainably and build a reasonable ending balance equivalent to 3-6 months of operations expenditures. The Agency developed the fee schedule by utilizing expertise and feedback from the Agency's board, licensees and stakeholders, and has been communicating with its partners at board meetings, through newsletters, and via work groups to inform them of the proposed fee changes. Historically licensing related fees have increased by 30% on a ten year cycle. Barring major economic or industry changes the Agency anticipates this fee increase to sustain operations for a similar period.

Contact: Anna Higley, Administrative Services Manager (503) 378-4671

**AGENDA ITEM NO.
III.**

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

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

				<p>Wilson also summarized Mr. Rist's experience and work history. Coni Rathbone asked Mr. Rist if he intended to stay with Keller Williams. Mr. Rist responded that he did intend to stay with Keller Williams. Chair Hermanski and Ms. Rathbone both asked Mr. Rist to explain what had occurred since his first appearance to make the board change their opinion. Mr. Rist responded that since his first appearance before the board he has obtained a better understanding of ORS Chapter 696, the CTA process, rules. He also explained that he has been on both sides of disputes (buyer/seller).</p> <p>DISCUSSION: None</p> <p>MOTION TO APPROVE TIM RIST'S REQUEST FOR WAIVER OF EXPERIENCE FOR PRINCIPAL BROKER BY CONI RATHBONE</p> <p>SECOND BY ALEX MACLEAN</p> <p>MOTION CARRIED BY UNANIMOUS VOTE</p>
6.6.16	William Patten	PB	Approved	<p>FACTS: Mr. Patten explained that he purchased his firm as a broker two years ago and hired a principal broker to supervise who has since left the firm and he is having difficulty finding another principal broker for hire. He also explained that he only has 4 months remaining to fulfill the 3 year experience requirement and has 25 years of experience in managing leases.</p> <p>DISCUSSION: None.</p> <p>MOTION TO APPROVE WILLIAM PATTEN'S REQUEST FOR EXPERIENCE WAIVER FOR PRINCIPAL BROKER'S LICENSE BY MARCIA EDWARDS</p> <p>SECOND BY PAT IHNAT</p> <p>MOTION CARRIED BY UNANIMOUS VOTE</p>
12.5.16	Joshua Fuhrer	PB	Denied	<p>FACTS: Mr. Fuhrer appeared before the board and explained that he has been in the real estate industry on the commercial side for 13 years as developer and wanted to provide brokerage services in addition to what he currently provides to his clients. He also explained that he currently has 3 partners, he being the primary developer, and he would not be supervising anyone or managing any client trust accounts. Mr. Fuhrer stated although he currently was not a licensed broker, he has passed the exam.</p> <p>DISCUSSION: Alex MacLean asked Vice-Chair Rathbone if she suggested that Mr. Fuhrer hang his license with a principal broker and then reapply for waiver and she responded that she did feel that would be appropriate.</p>
04.03.17	Shu Merritt	PB		<p>FACTS:</p> <p>DISCUSSION:</p>

Oregon Real Estate Board

Experience Requirement Waiver Request

Date: 3/9/2017
 Name Shu Merritt
 Address: 8206 NW Hawkins Blvd, Portland OR 97229
 Daytime Phone Number: 971-330-8880 Oregon License Number: 201211625

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: 12/29/2014 to Present
 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

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

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

	Yes	No	Date Completed	Required Documents to be Attached to the Request
Completed the "Broker Administration and Sales Supervision" course for principal real estate brokers. Must be completed PRIOR to waiver request.	X		2/27/2017	Original course certificate
Submitted the Real Estate License Application for Principal Broker license and \$230 fee. Must be completed PRIOR to waiver request.	X		3/10/2017	Copy of confirmation letter received from Agency
Successfully passed the Oregon Principal Broker exam. Must be completed PRIOR to waiver request.	X		3/8/2017	Score report received from testing vendor
Graduated from a four-year college or university with a degree in real estate curriculum approved by the Commissioner.(863-014-0040(2))	X			Official transcript
Graduated with a two-year community college associates degree in real estate curriculum approved by the Commissioner. (863-014-0040(3))		X		Official transcript
Substantial experience in real estate that would qualify for an equivalent to the Commissioner's three year experience requirements. Include any real estate designations achieved while licensed as a broker. (OAR 863-014-0042(c))	X		2015-2017	Written explanation of the additional real estate experience that you have that would assist in the Board's consideration of your waiver request.

The number and type of real estate transactions (listings and transactions that were closed) you have completed while holding a real estate license in Oregon or in another state.	X		3/10/2017	Provide a document showing the number and types of transactions you have completed while licensed.
--	---	--	-----------	--

REQUIRED DOCUMENTS

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

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

HELPFUL DOCUMENTS

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

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

OTHER REQUIREMENTS

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



3/9/2017

2016 BOARD MEETING DATES, LOCATIONS AND WAIVER PACKET DUE DATES

MEETING DATE	LOCATION	WAIVER PACKET DUE DATE
February 1, 2016	Oregon Real Estate Agency	Jan. 13, 2016
April 4, 2016	Florence	March 14, 2016
June 6, 2016	Bend	May 16, 2016
August 1, 2016	Pendleton	July 11, 2016

KW PROFESSIONALS

KELLERWILLIAMS. REALTY

March 9, 2017

Oregon Real Estate Board
530 Center Street NE, Suite 100
Salem, OR 97301

Dear Members of the Real Estate Board,

I am writing to provide my recommendation in support of Shu Merritt's request for a waiver of the 3 year experience requirement for obtaining her principal broker license.

I have supervised Shu's real estate activity since February of 2015 when she first earned her real estate broker's license. Since then, she has participated in 39 closed transactions and has another 6 transactions currently in escrow. Working with both Buyers and Sellers, Shu has displayed an excellent ability to guide her clients through the complexities of a real estate transaction while protecting and promoting their interests in skilled negotiations.

Shu has invested her time in expanding and strengthening her skill base by attending numerous training events, including industry related courses, business development, and leadership training. Her focus on continuous learning has been a great part of her success and serves as an excellent example in our market place.

A waiver of the 3 year experience requirement would enable Shu to continue the growth of her real estate business through the supervision of support licensees. Shu has my full support and endorsement in this request for a waiver. If there is any additional information I can provide, please feel free to contact me directly.

Sincerely,



Colleen Gordon
Principal Broker

KW PROFESSIONALS

KELLERWILLIAMS. REALTY

March 9, 2017

Dear Members of the Real Estate Board,

I, Shu Merritt, would like to apply for a waiver of the 3 year experience requirement for obtaining the principal broker license.

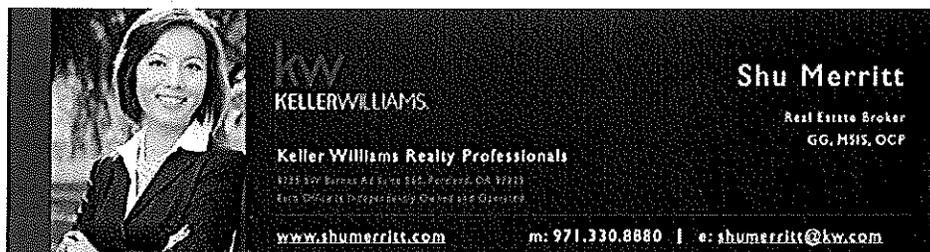
I have earned my Bachelor in International Business Management from Assumption University of Thailand in 2001 and a Master of Sciences degree in Information Systems from California State University of Los Angeles in 2006. I have 3 years working experience as a marketing coordinator and I also worked as an Oracle Database Administrator for 7 years. I have extensive experience with marketing, customer services, multitasking, critical thinking, and problem solving due to my previous employment, which I have found to be particularly useful as a real estate agent.

I passed Oregon Real Estate Broker exam in December 2015, and then joined Keller Williams Realty Professionals in February of 2015. Since then I have been practicing under the supervision of my company's principal broker group. I have learned each step of the real estate transaction from interactions with my business mentors and peers, in addition to attendance at various training sessions and seminars. Already, I have completed 39 transactions representing both buyers and sellers in the past two years, and I am working on another 6 transactions which are currently under escrow. The total transactional volume is over 20 million dollars.

A waiver of the 3 year experience requirement would allow me to immediately implement my own team, as I have a variety of potential employees that are waiting for me to obtain my principal broker license to move forward with our business plan. Furthermore, I also have a great personal interest to help more licensees like myself grow in the real estate industry.

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

Shu Merritt 
Keller Williams Realty Professionals
9755 SW Barnes Rd #560
Portland OR 97225
971-330-8880



Multi-Year Trends - February

Shu Merritt



Closed Units

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	MOM % Change Feb	YOY % Change Feb
2015	0.00	0.00	0.00	3.00	3.00	1.00	0.00	0.00	0.00	2.00	2.00	0.60	11.60	0.0%	0.0%
2016	0.00	5.00	2.00	1.00	3.00	2.00	2.00	2.00	0.00	0.00	4.00	3.00	24.00	0.0%	0.0%
2017	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	-80.0%	-80.0%

Closed Sales Volume

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	MOM % Change Feb	YOY % Change Feb
2015	0	0	0	1,120,900	1,320,000	349,990	0	0	0	978,500	763,000	264,000	4,796,390	0.0%	0.0%
2016	0	2,028,795	1,750,000	774,900	2,133,000	875,975	1,064,500	1,519,500	0	0	2,401,000	1,001,995	13,549,665	0.0%	0.0%
2017	0	434,900	0	0	0	0	0	0	0	0	0	0	434,900	-78.6%	-78.6%

Listings Taken

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	MOM % Change Feb	YOY % Change Feb
2015	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	0.0%	0.0%
2016	0.0	0.0	3.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	0.0%	0.0%
2017	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0%	0.0%

Listings Taken Volume

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	MOM % Change Feb	YOY % Change Feb
2015	0	0	0	0	0	0	0	0	0	0	0	1,250,000	1,250,000	0.0%	0.0%
2016	0	0	1,790,000	850,000	439,000	0	0	0	0	0	0	0	3,079,000	0.0%	0.0%
2017	849,000	0	0	0	0	0	0	0	0	0	0	0	849,000	0.0%	0.0%

Listings Sold

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	MOM % Change Feb	YOY % Change Feb
2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%
2016	0.00	0.00	1.00	0.00	2.00	0.00	2.00	0.00	0.00	0.00	1.00	0.00	6.00	0.0%	0.0%
2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%

Listings Sold Volume

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	MOM % Change Feb	YOY % Change Feb
2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
2016	0	0	1,275,000	0	1,333,000	0	1,064,500	0	0	0	869,000	0	4,541,500	0.0%	0.0%
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%

Buy Sales Closed

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	MOM % Change Feb	YOY % Change Feb
2015	0.00	0.00	0.00	3.00	3.00	1.00	0.00	0.00	0.00	2.00	2.00	0.60	11.60	0.0%	0.0%
2016	0.00	5.00	1.00	1.00	1.00	2.00	0.00	2.00	0.00	0.00	3.00	3.00	18.00	0.0%	0.0%
2017	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	-80.0%	-80.0%

Buy Sales Closed Volume

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	MOM % Change Feb	YOY % Change Feb
2015	0	0	0	1,120,900	1,320,000	349,990	0	0	0	978,500	763,000	264,000	4,796,390	0.0%	0.0%
2016	0	2,028,795	475,000	774,900	800,000	875,975	0	1,519,500	0	0	1,532,000	1,001,995	9,008,165	0.0%	0.0%
2017	0	434,900	0	0	0	0	0	0	0	0	0	0	434,900	-78.6%	-78.6%

Lease Closed Units

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	MOM % Change Feb	YOY % Change Feb
2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.00
2016	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.00
2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.00

Lease Closed Volume

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	MOM % Change Feb	YOY % Change Feb
2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%

Contracts Written

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	MOM % Change Feb	YOY % Change Feb
2015	0.00	0.00	1.00	3.00	3.00	0.00	0.00	0.00	1.00	3.00	0.00	1.60	12.60	0.0%	0.0%
2016	1.00	4.00	7.00	1.00	5.00	2.00	1.00	2.00	0.00	2.00	2.00	3.00	30.00	0.0%	0.0%
2017	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	-50.0%	-20.0%

Contracts Written Volume

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	MOM % Change Feb	YOY % Change Feb
2015	0	0	310,000	1,120,900	1,359,990	0	0	0	765,000	976,500	0	1,514,000	6,046,390	0.0%	0.0%
2016	274,900	1,753,895	5,014,900	850,000	3,132,000	755,475	625,000	1,519,500	0	1,738,000	663,000	1,001,995	17,328,665	0.0%	0.0%
2017	1,255,140	811,900	0	0	0	0	0	0	0	0	0	0	2,067,040	-53.7%	1.9%

Average Sale Price (excluding leases and referrals)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	MOM % Change Feb	YOY % Change Feb
2015	0	0	723,332	373,633	440,000	349,990	0	0	0	489,250	381,500	440,000	412,396	0.0%	0.00%
2016	0	405,759	723,332	774,900	711,000	437,988	532,250	759,750	0	0	800,333	333,998	608,812	0.0%	0.00%
2017	0	434,900	0	0	0	0	0	0	0	0	0	0	434,900	7.2%	414.47%

Principal Broker Course Completion Certificate

THIS CERTIFICATE WILL VERIFY THAT:

Shu Merritt

Real Estate License Number: 201211625

Mailing Address of:



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

Brokerage Administration and Sales Supervision

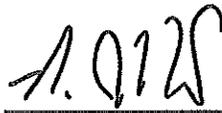
The course credit granted is **40 hours** on the date of **February 27, 2017** at www.OnlineEd.com. The date of completion is the date the actual Internet study course examination was actually taken and graded. This course is approved by the Oregon Real Estate Agency to meet the requirements of the Oregon Principal Real Estate Broker - Brokerage Administration and Sales Supervision 40 hour course required as a prerequisite to obtaining an Oregon Principal Real Estate Brokers License.

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

OREGON REAL ESTATE AGENCY CERTIFIED CONTINUING EDUCATION COURSE

PROVIDER COURSE NUMBER: **1038-1039**

THIS COURSE WAS SPONSORED AND THIS CERTIFICATE ISSUED BY:

A handwritten signature in black ink, appearing to read "N. J. Sorg", written over a horizontal line.

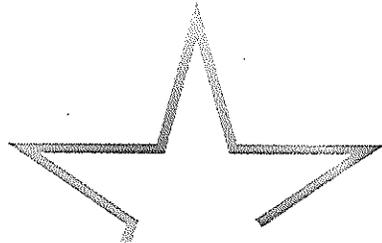
OnlineEd Inc.
N. Jeffrey Sorg, School Director
7405 SW Beveland Road, Portland, OR 97223
mail@OnlineEd.com, <http://www.onlineed.com/>
Phone: (503) 670-9278

Certificate Authentication Number: **387368**

This certificate is void if the above authentication number cannot be verified by OnlineEd

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RISING STAR REAL ESTATE AGENT

2011

Five Star Professional's Rising Stars award recognizes talented real estate agents at the beginning of their real estate careers based on feedback from clients and industry experts.



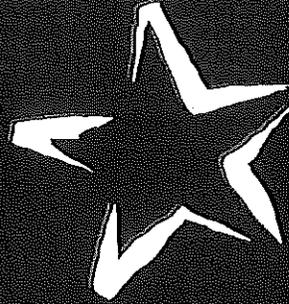
Shu Merritt

Broker/MSIS, GG, OCP

- Thank you to my clients for this recognition
- Five Star winners excel at overall client satisfaction
- Key award criteria include integrity, communication and service

kw
KELLERWILLIAMS.

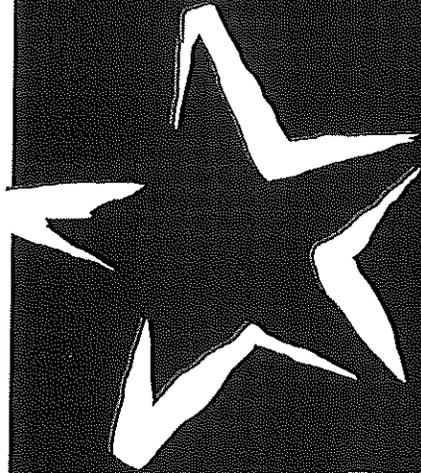
Shu
Merritt



is recognized as the

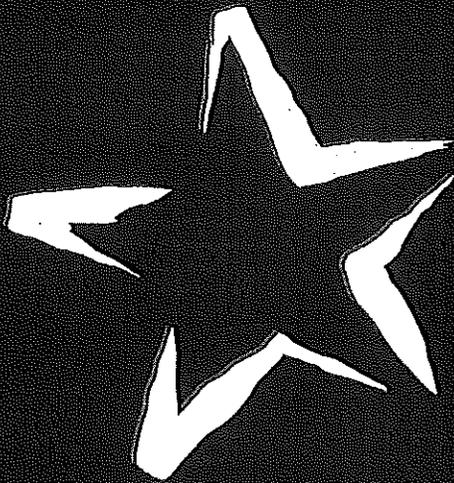
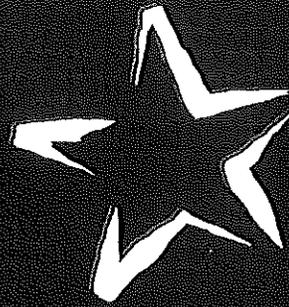
Rookie of the Year

2016



Keller Williams Realty Professionals

Shu
Merritt



is recognized as
#3 Individual
Of the Year

2016

kw[®]

Keller Williams Realty Professionals

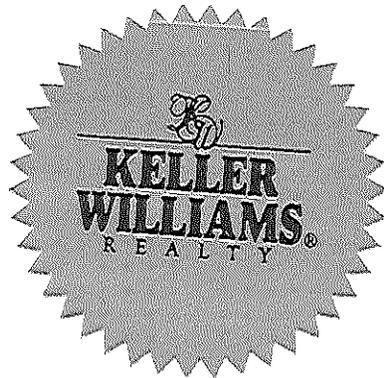
TOP SALES AWARD

PRESENTED TO

Shu Merritt

December 2016

CLOSED VOLUME- \$1,001,995 GCI- \$32,186



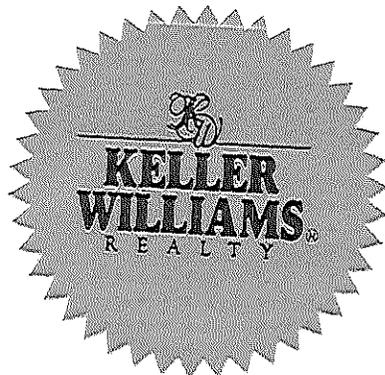
TOP SALES AWARD

PRESENTED TO

Shu Merritt

November 2016

CLOSED VOLUME - \$2,401,000 GCI - \$51,335



TOP SALES AWARD

PRESENTED TO

Shu Merritt

July 2016

CLOSED VOLUME- \$1,064,500 GCI- \$28,474



CAPPER AWARD

PRESENTED TO

Shu Merritt

May 2016

Capped in less than 3 months!



TOP SALES AWARD

PRESENTED TO

Shu Merritt

May 2016

CLOSED VOLUME - \$2,133,000 GCI - \$49,400



TOP SALES AWARD

PRESENTED TO

Shu Merritt

March 2016

CLOSED VOLUME- \$1,750,000 GCI- \$40,907



kw
KELLERWILLIAMS.

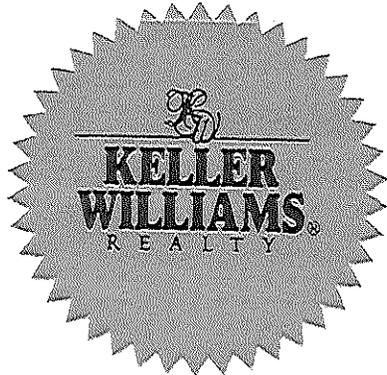
TOP SALES AWARD

PRESENTED TO

Shu Merritt

February 2016

CLOSED GCI- \$44,320 VOLUME- \$2,028,795



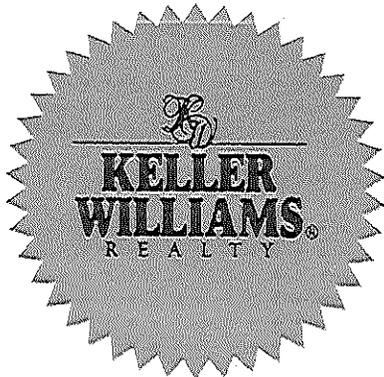
TOP SALES AWARD

PRESENTED TO

Shu Merritt

February 2016

CLOSED VOLUME- \$44,320 GCI- \$2,028,795



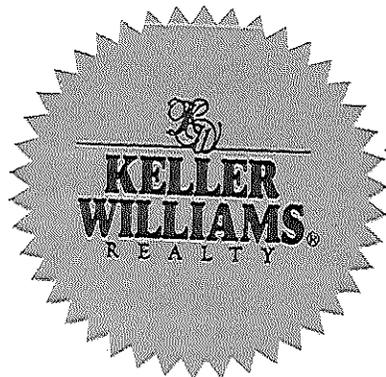
CAPPER AWARD

is hereby PRESENTED TO

Shu Merritt

October 2015

(Awarded for being Capped in less than 8 months!)



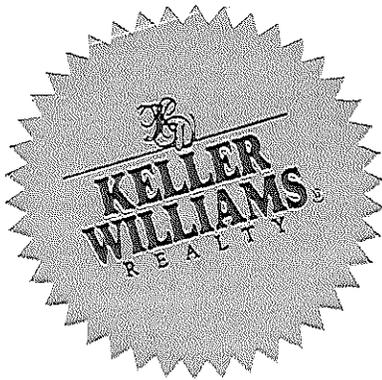
PEOPLE'S CHOICE AWARD

PRESENTED TO

SHU MERRITT

2015

MOST LIKELY TO BE THE NEXT
BIG THING!



KWRI AWARD

PRESENTED TO

SHU MERRITT

2015

BRONZE

GCI \$110,011

Units 12



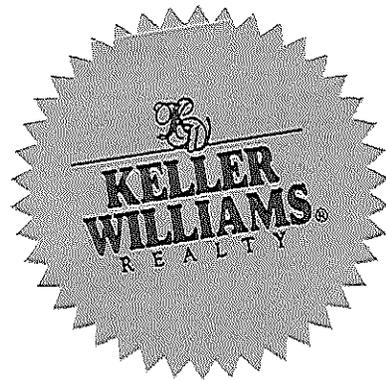
TOP SALES AWARD

PRESENTED TO

Shu Merritt

May 2015

CLOSED VOLUME- \$1,320,000 GCI- \$28,975



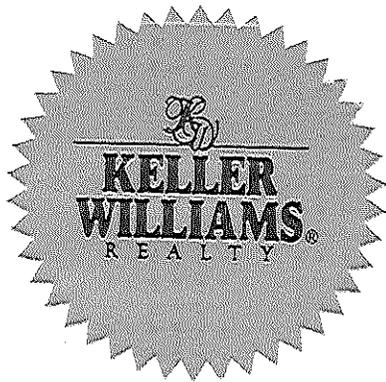
TOP SALES AWARD

PRESENTED TO

Shu Merritt

April 2015

CLOSED VOLUME- \$1,120,900 GCI- \$28,022



CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Official Transcript

Page No. 1

Name : Merritt, Shu

Student ID: [REDACTED]

Birthdate : [REDACTED]

Assumption University

2001-03-16 Bachelor of Business Admin

----- Beginning of Graduate Record -----

Fail Quarter 2005

Course	Description	Attempted	Earned	Grade	Points
CIS 504	MANAGEMENT INFORMATION SYSTEMS	4.00	4.00	A	16.000
CIS 510	IS/IT ARCHITECTURES	4.00	4.00	A	16.000
CIS 561	DESIGN OF AN E-COMMERCE SITE	4.00	4.00	A	16.000

Higher Ed CUM GPA : 4.000 CUM TOTALS : 12.00 12.00 48.000

Winter Quarter 2006

Course	Description	Attempted	Earned	Grade	Points
CIS 454	SPECIAL TOPICS IN CIS	4.00	4.00	A	16.000
Course Topic(s): ST:JAVA ORACLE					
CIS 461	WEB DEVELOPMENT I	4.00	4.00	A	16.000
CIS 543	DATABASE SYSTEMS	4.00	4.00	A	16.000
CIS 560	MICROCOMPUTER NETWORKS	4.00	4.00	A	16.000
UNIV 400	WPE/GWAR		0.00	CR	

Higher Ed CUM GPA : 4.000 CUM TOTALS : 28.00 28.00 112.000

(Continued on the next page.)

FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974, AS AMENDED, PROHIBITS RELEASE OF THIS TRANSCRIPT INFORMATION TO A THIRD PARTY WITHOUT WRITTEN CONSENT OF THE STUDENT

ISSUED TO STUDENT

Print Date : 2007-02-09

----- Academic Program History -----

Program : Business & Economics

Program : University

2007-01-02 : Active in Program

----- Degrees Awarded -----

Degree : Master of Science

Confer Date : 2006-12-09

Plan : Information Systems

----- Previous Degrees -----



Joan V. Woosley

Joan V. Woosley
Director of Admissions
and University Registrar



CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Official Transcript

Page No. 2

Name: Merritt, Shu

Student ID: [REDACTED]

Birthdate: [REDACTED]

Spring Quarter 2006

Course	Description	Attempted	Earned	Grade	Points
CIS 445	NETWORK APPLICATIONS DEVELOPME	4.00	4.00	A	16.000
CIS 585	COMMUNICATION & INFORMATION SE	4.00	4.00	B+	13.200
CIS 590	IS/IT POLICY AND STRATEGY	4.00	4.00	B	12.000
Higher Ed CUM GPA :	3.830	CUM TOTALS :	40.00	40.00	153.200

Summer Quarter 2006

Course	Description	Attempted	Earned	Grade	Points
CIS 528	CURRNT PROBLEMS IN COMP ENFO S	4.00	4.00	A	16.000
COURSE Topic(s): SEM:ADV INFO SYSTEMS DEVELOP					
CIS 583	INFORMATION SYSTEMS CONSULTING	4.00	4.00	A-	14.800
CIS 598	GRAD DIRECT STUDY	1.00	1.00	A	4.000
Higher Ed CUM GPA :	3.837	CUM TOTALS :	49.00	49.00	188.000

Fall Quarter 2006

Course	Description	Attempted	Earned	Grade	Points
BUS 596	COMPREHENSIV EXAM		0.00	CR	
CIS 520	SOFTWARE ENGINEERING	4.00	4.00	A-	14.800
Higher Ed CUM GPA :	3.826	CUM TOTALS :	53.00	53.00	202.800
Graduate Career Totals					
Higher Ed CUM GPA :	3.826	CUM TOTALS :	53.00	53.00	202.800

-----End of Transcript-----

FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974, AS AMENDED, PROHIBITS RELEASE OF THIS TRANSCRIPT INFORMATION TO A THIRD PARTY WITHOUT WRITTEN CONSENT OF THE STUDENT.

ISSUED TO STUDENT



Joan V. Woosley

Joan V. Woosley
Director of Admissions
and University Registrar



This official transcript is printed on blue secured paper and does not require a raised seal. The word VOID will appear when photocopied. When photocopied, ALERT will appear in the registrar's signature area.

THIS DOCUMENT IS NOT OFFICIAL UNLESS YOU CAN VERIFY CAL STATE LA IN THE TAMPERSAFE@AREA

000047759

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Official Transcript

Page No. 1

Name : Merritt, Shu

Student ID: [REDACTED]

Birthdate: [REDACTED]

2001-03-16 Bachelor of Business Admin

FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974, AS AMENDED, PROHIBITS RELEASE OF THIS TRANSCRIPT INFORMATION TO A THIRD PARTY WITHOUT WRITTEN CONSENT OF THE STUDENT

ISSUED TO STUDENT

Print Date : 2007-02-09

Academic Program History

Program : Extended Education

2005-01-03 Active in Program

Degrees Awarded

Degree : Master of Science

Confer Date : 2006-12-09

Plan : Information Systems

Previous Degrees

Assumption University

--- Beginning of Extended Education Record ---
Winter Quarter 2005

Course	Description	Attempted	Earned	Grade	Points
CIS 283	INTRO TO APPLICATION PROGRAMMT	4.00	4.00	A	14.800
Higher Ed CUM GPA :		3.700	CUM TOTALS :	4.00	4.00 14.800

Spring Quarter 2005

Course	Description	Attempted	Earned	Grade	Points
CIS 405A	ANALYSIS AND LOGICAL DESIGN	4.00	4.00	A	16.000
CIS 405B	ANALYSIS AND DESIGN II	4.00	4.00	A	16.000

Higher Ed CUM GPA :		3.900	CUM TOTALS :	12.00	12.00 46.800
Continuing Education Career Totals					
Higher Ed CUM GPA :		3.900	CUM TOTALS :	12.00	12.00 46.800

--- End of Transcript ---



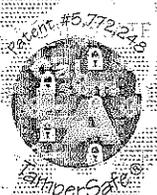
Joan V. Woosley

Joan V. Woosley
Director of Admissions
and University Registrar

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**AGENDA ITEM NO.
IV.**

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

4.4.16	Brian Greer	APPROVED	<p>FACTS: Mr. Geer explained that he owned 3 service master companies and has been in the disaster industry for many years. He also explained that he provides education on the following topics: disaster restoration, water damage, risk management, business ethics, and property management, which are considered acceptable course topics.</p> <p>DISCUSSION: None</p> <p>MOTION TO APPROVE BRIAN GREER'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY DAVE KOCH</p> <p>SECOND BY CONI RATHBONE</p> <p>MOTION CARRIED BY UNANIMOUS VOTE</p>
4.4.16	John Estrem	APPROVED	<p>FACTS: Mr. Estrem appeared by phone and reviewed his qualifications which included providing education for approximately 15 years. He also explained he provides education on the topic of risk management, which is considered an acceptable course topic. Chair Hermanski asked Mr. Estrem if he was aware of the record keeping requirements for continuing education providers and he responded that he was aware of the record keeping requirements.</p> <p>DISCUSSION: None.</p> <p>MOTION TO APPROVE JOHN ESTREM'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY CONIE RATHBONE</p> <p>SECOND BY PAT IHNAT</p> <p>MOTION CARRIED BY UNANIMOUS VOTE</p>
6.6.16	Kenneth Holman	WITHDRAWN	Mr. Holman withdrew his petition and indicated his intention to re-petition the board as a trade association at a later date.
6.6.16	CMPS Institute (Gibran Nicholas)	APPROVED	<p>FACTS: Chair Hermanski asked CMPS to summarize the basis of their petition. Gibran Nicholas explained that CMPS Institute has provided education across the country and is approved in 10 states to provide CE to real estate agents. Mr. Nicholas also explained CMPS Institute offers the following acceptable course topics: advertising; regulation; consumer protection; real estate taxation; and finance. Chair Hermanski asked if they were familiar with the record keeping requirements and Ms. Nicholas responded that they are familiar with the record keeping requirements</p> <p>DISCUSSION: None.</p> <p>MOTION TO APPROVE CMPS INSTITUTE'S PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER BY MARCIA EDWARDS</p> <p>SECOND BY LAWNAE HUNTER</p> <p>MOTION CARRIED BY UNANIMOUS VOTE</p>
10.3.16	Michelle Moore	APPROVED	<p>FACTS: Ms. Moore explained that she had nine years of experience in providing continuing education courses covering the following topics: real estate consumer protection, risk management, dispute resolution, and negotiation, which are considered acceptable course topics. Dave Koch asked Ms. Moore if she was familiar with the record keeping requirements involved with being a provider and she responded that she was aware of the requirements.</p> <p>DISCUSSION: None</p> <p>MOTION TO APPROVE BY DAVE KOCH</p> <p>SECOND BY LAWNAE HUNTER</p> <p>MOTION CARRIED BY UNANIMOUS VOTE</p>
12.05.16	Brix Law LLP	APPROVED	<p>FACTS: Laura Craska Cooper and Brad Miller appeared by phone and Mr. Miller explained Brix Law LP specializes in real estate and land use transactions and both he and Ms. Craska Cooper had an extensive amount of experience in the following areas: real estate leasing, acquisitions, development, financing, general business, and negotiations. Chair Hermanski asked Mr. Miller and Ms. Craska Cooper if they were familiar with the record keeping requirements as a certified education instructor and Mr. Miller responded that they were familiar this requirement.</p> <p>DISCUSSION: None.</p>

02.06.17	Systems Effect LLC	APPROVED	<p>FACTS: Mr. Jordan appeared by phone and explained that Systems Effect LLC is a distance learning company that has been in business since 2008 and is currently approved to provide real estate continuing education courses in Arizona, Kansas, Minnesota, Missouri, and Ohio. He also stated that the courses offered cover the following acceptable topics: Principal broker record keeping and supervision, trust accounts, agency relationships, misrepresentation, disclosure, contracts, appraisal, fair housing, risk management, water rights, environmental protection, land use, real estate law, negotiation, and others. Dave Koch asked Mr. Jordan if a tracking device was in place to monitor class time and he responded that there is a timer in place to verify that students meet the required course time. Alex MacLean asked Mr. Jordan if there is a resource for student assistance with questions they might have and Mr. Jordan responded that there is a FAQ information, email system, and staff available for students.</p> <p>DISCUSSION: None.</p>
02.06.17	American Dream Real Estate School LLC	APPROVED	<p>FACTS: Herbert Nagamatsu appeared by phone and explained that American Dream Real Estate School created, administered and delivered online courses and training programs to students since 2005. He also stated that the courses offered cover the following acceptable topics: Contracts, Risk Management, and real estate finance. Dave Koch asked Mr. Nagamatsu how he derived the questions for the courses and he responded that the topics covered meet with rule and law. Alex MacLean asked Mr. Nagamatsu how students communicate with instructors he responded that contact information for instructors is posted online for students. Mr. Koch asked Mr. Nagamatsu how class time was tracked and he responded timing mechanisms were in place behind the scenes. Mr. Koch also asked Mr. Nagamatsu to explain his record keeping process and he responded records are kept for minimum of 3 years and backup for seven years.</p> <p>DISCUSSION: None</p>
02.06.17	Asset Preservation Inc.	APPROVED	<p>FACTS: Elisa Mas appeared by phone and explained that Asset Preservation, Inc. has provided 1031 exchange courses for continuing education to real estate professionals all over the nations for over 25 years and was also approved to teach continuing education courses in Texas, New York, Florida, Colorado, Washington, Oklahoma, New Jersey, and Arizona as well as Oregon, previously. She also stated that the courses offered cover the following acceptable topics: Real estate taxation and Real Estate Finance. Alex MacLean asked Ms. Mas when her company was certified and she responded approximately one year ago. Mr. MacLean also asked Ms. Mas if her company was currently certified and if not, to explain the gap in time. Ms. Mas explained the previous administrator was expired and now they want to be certified again.</p> <p>DISCUSSION: None.</p>
02.06.17	Military Mortgage Boot Camp	APPROVED	<p>FACTS: Mike Fischer appeared by phone and explained the current class offered is a 2 or 3 hour version which covers appraisal, VA assistance, and transaction coordination. Chair Edwards asked Mr. Fischer which acceptable topics were covered in the courses offered and he responded that consumer protection was the topic covered. Dave Hamilton stated he would like to see Oregon's program incorporated in the course and Mr. Fischer responded they could incorporate Oregon's program. Chair Edwards clarified that although, incorporating Oregon's program was not a requirement or contingency, it was encouraged.</p> <p>DISCUSSION: None</p>
02.06.17	Fairway Independent Mortgage Corp.	APPROVED	<p>FACTS: Kate Myers appeared before the board and explained Fairway Independent Mortgage Corp. was one of the mortgage companies that is allowed to handle VA loans. Chair Edwards asked Ms. Myers which acceptable course topics are covered in their courses and she responded that real estate finance was the topic offered. Dave Koch asked Ms. Myers if there was a record keeping mechanism in place and she responded there is an administrator who would be assigned the record keeping duties</p> <p>DISCUSSION: None.</p>

IMPORTANT - PLEASE READ

You must be able to comply with the requirements of a Certified Continuing Education Provider if the Board approves your or your company's qualifications.

When offering a course eligible for real estate continuing education credit, a Certified Continuing Education Provider **MUST** comply with **ALL** of the following requirements:

- Ensure the course is within the scope of one or more course topics listed in OAR 863-020-0035(3) or is the three-hour Law and Rule Required Course "LARRC" approved by the Board pursuant to OAR 863-022-0055. The Agency will not determine whether individual courses or classes are within the scope of an eligible course topic.
- Identify to real estate licensees which course topic(s) the offered course covers, or if the course is the three-hour Law and Rule Required Course "LARRC" under 863-022-0055, the Broker Advanced Practices course under OAR 863-022-0020, the Property Manager Advanced Practices course under 863-022-0055, or the Brokerage Administration and Sales Supervision course under OAR 863-022-0025.
- Ensure the minimum length of the course is one hour as required under OAR 863-020-0007.
- Assign a four-digit identifying course number to the course. (Any assignment of four numbers is acceptable. Each course must have its own number. Letters are not to be included in a course "number.")
- Ensure the course meets the learning objective requirements contained in OAR 863-020-0045. The Agency does not review or approve learning objectives.
- Ensure that the instructor who teaches a continuing education course offered for credit:
 - Meets the requirements set forth in ORS 696.186, and
 - Has completed and signed the Continuing Education Instructor Qualifications Form as required by OAR 863-020-0060.
- Obtain a copy of the completed and signed Continuing Education Instructor Qualifications Form for each instructor for your records per OAR 863-020-0050 and OAR 863-020-0060.
- Maintain records of each offered course as required by ORS 696.184(c) and OAR 863-020-0055 for three years from the date the course was provided.
- Upon completion of an eligible course, provide each licensee who attends the course a completed Certificate of Attendance that includes all of the information required under OAR 863-020-0050(5), including licensee name and license number.

If petitioner is not able to comply with any of the above requirements, you may wish to consider being an instructor for an already certified provider. Visit the Agency's website for further information on instructor qualifications.



PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER

Rev. 1/2017

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

INSTRUCTIONS

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

IMPORTANT:

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

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

PETITIONER

Name Envoy Mortgage Ltd. NMLS#6666 Phone Number 503-479-8900

Physical Address 4380 SW Macadam Avenue Address Cont. Suite # 300

City Portland State OR Zip Code 97239 County Multnomah

E-mail avarcak@envoymortgage.com

Mailing Address (if different) _____ Address Cont. _____

City _____ State _____ Zip Code _____ County _____

AUTHORIZED CONTACT PERSON

Prefix Mr. First Name Andrew Last Name Varcak

Phone Number 503-730-2222 E-mail avarcak@envoymortgage.com

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

Andrew Varcak

AGENCY USE ONLY

Approved by Board YES NO

Review Date _____



February 24, 2017

Dear Madeline Alvarado & Board Coordinator,

Below is a list of my relevant experience as it pertains to becoming a Continuing Education Provider:

- 100+ Hours Teaching First Time Home Buyer Courses
- 500+ Hours Teaching Loan Officer Education Courses
- 4 year BS Degree in Business Administration from the University of Oregon
- 14+ year of experience in the mortgage industry as a Mortgage Loan Originator, Branch Manager and Area Manager.
- Certified Mortgage Planning Specialist (CMPS), certified to teach their Realtor and Certified Financial Planner coursework.

I am looking forward to the opportunity to speak to the Board about my approval decision. If you require any additional information or clarification, please do not hesitate to contact me directly.

Respectfully,

A handwritten signature in black ink, appearing to read "Andy Varcak", written in a cursive style.

Andy Varcak
Area Sales Manager
NMLS ID 418900

Mobile: 503-730-2222
avarcak@envoymortgage.com

www.TheVarcakTeam.com





CE EDUCATION PROCEDURE

The Branch Manager/Area Sales Manager is responsible for contacting speakers and obtaining a completed Instructor Qualification Form *prior to setting up a training* for any speaker that appears at an educational event sponsored by Envoy Mortgage.

The Branch Manager/Area Sales Manager is responsible for locating and securing the use of a space for the event, if needed.

The Branch Manager/Area Sales Manager is responsible for arranging for any refreshments etc. to be offered at the event. This must be done in compliance with the below recitation from the Oregon administrative Rules.

(2) A mortgage company may give a thing of value to an intermediary in connection with an activity sponsored only by the title company if the net cost to the title company is **\$15.20** or less per individual reasonably expected to attend, when six or more individuals actually attend and when one of the individuals is an employee of the mortgage company.

An Envoy Mortgage Marketing Representative or Supporting Staff Member will be responsible for assigning a course number and keeping a record in compliance with Oregon State rules and regulations.

The Marketing Representative is responsible for the materials advertising the event.

Reservations for any event may be made by the attendee phoning Envoy Mortgage and providing the needed information. The reservation sheet will also be used for the sign in sheet and as the record required for compliance with the State of Oregon so making sure every blank is completed is critical. You must fill out the class information at the top of the sign in sheet prior to the class.

Making sure the registrants sign in at the event is the responsibility of the Branch Manager/Area Sales Manager. If a registrant does not sign in a Certificate will not be issued.

Certificates will be issued via emailed to the Sales Representative after they submit the sign in sheet to the Marketing Representative and/or a supporting administrative staff member.

Lender Topics

- VA/FHA for Agents
- USDA – Realtor’s Guide
- Underwriting Guidelines
- Underwriter Q& A: loan programs, guideline updates, property issues and red flags
- TRID-1
- Financing Strategies to Qualify, How to protect your time from unapproved clients
- Secrets of Residential Investment Financing
- Renovation Introduction
- Renovation Part II
- Rehab Financing
- Zero Down Payment Mortgages, the truth behind qualifying
- Credit Repair. Creating a roadmap to better credit and homeownership
- Life of a Loan/Lending Basics
- Mortgage Insurance, what, how, and why
- How to Close Your Transactions on Time
- Homeownership in Portland, has this market become too expensive?
- Frist Time Homebuyers Toolkit
- FHA, FHA 203k
- Home Ready Program, be competitive with a conventional loan which has flexibility

PMAR Topics

- The Dispute Resolution System
- Homeownership Opportunities
- Handling of Complaints
- Governmental Actions Affecting You
- Fair Housing

RMLS Classes

- Utilizing RMLS web Statistics
- RMLS web & CMA Statistics
- RMLS Updates
- RPR (Realtors Property Resources Basics)
- RMLS Orientations

Vendor Topics

- Home Inspections 1
- Home Inspections 2
- Answers to your Heating Oil Tank Questions
- Appraisal Process – Realtors Guide
- Basic 1031 Exchanges
- Blended Exchange (both delayed and reverse in one transaction)
- Blended Transactions: Utilizing Section 1031 & 121 and rules regarding converted property
- College Funding Strategies Utilizing Real Estate
- Effective Addendum Writing
- Elder Abuse & legal Incapacity
- Electrical Inspections
- Empowered Focused Self Defense CEP (4 Hour 4 Part Class)
- Green Buildings
- Identifying Water Intrusion Problems
- Improvement Exchanges
- Improving land already owned by investor through a 1031 Exchange
- IRS Revenue Procedure 2008-15 Vacation homes and exchanges
- Mold Introduction
- Negotiating the Exclusive Buyer Broker Agreement (2 Hour)
- Onsite Wastewater Treatment Systems
- Positioning Real Estate to Increase Cash Flow
- Radon – What is it & why inspect for it?
- Red Flags to Look for When Inspecting a Home
- Reverse Exchanges
- Realtor Code of Ethics (3 Hours)
- Self-Directed IRA's for Real Estate
- Seller Financing and 1031 Exchanges
- Short Sales & Foreclosures; When losses become gains
- Solo 401(k) accounts and Real Estate
- Structured Sales
- Tax Strategies for Realtors
- Tax Strategies for Real Estate Investors
- The HUD 203k Renovation Mortgage Program
- The inspection Found Mold – What Now?
- TICs: What Brokers Need to Understand
- Understanding the Sales Agreement
- Water Rights for Rural Property and Growers
- What is Home Inspections & What to Expect for New Agents
- Writing and Negotiating Effective Repair Addendums



**PETITION TO QUALIFY AS A
CONTINUING EDUCATION PROVIDER**

Rev. 5/2016

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

INSTRUCTIONS

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

IMPORTANT:

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

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

PETITIONER

Name ORHA Education Inc Phone Number ^{C/o Sharrol Lyons.} 541-548-7368

Physical Address 1462 Commercial St NE Address Cont. _____

City Salem State OR Zip Code 97301 County Marion

E-mail sharrol@nwscreening.com

Mailing Address (if different) PO Box 1984 Address Cont. _____

City Redmond State OR Zip Code 97756 County Deschutes

AUTHORIZED CONTACT PERSON

Prefix _____ First Name Jann Last Name Pate

Phone Number 541-265-2400 E-mail jannpate@me.com

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

AGENCY USE ONLY

Approved by Board YES NO

Review Date _____

PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER, Continued

QUALIFICATION INFORMATION

Provide below sufficient information about the petitioner to allow the Board to determine whether the petitioner qualifies for certification. If the petitioner is an entity, the information provided must pertain to that entity. If the petitioner is an individual, the information provided must pertain to that individual.

Information MUST include one or both of the following:

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

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

1. Oregon Rental Housing Association is currently an authorized provider of CEU's to RE Licensees (Provider # 1174)
2. Oregon Rental Housing Association received a grant to supplement education provided (ORHA)
3. ORHA Education Inc was formed as a result of that grant.
4. ORHA Education Inc will develop new + current CEU classes within the Eligible Course Topics authorized by OREA.
5. Additional classes will be developed to educate private owners, investors + renters - not offering CEU's.

See attachments:

- RBN
- Updated Officers

AUTHORIZATION AND ATTESTATION

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

Jann Pate

Printed Name of Authorized Individual

Date 1/6/17

Jann Pate

Signature of Authorized Individual

Business Registry Business Name Search

[New Search](#)

Business Entity Data

01-06-2017
13:56

Registry Nbr	Entity Type	Entity Status	Jurisdiction	Registry Date	Next Renewal Date	Renewal Due?
1149599-92	DNP	ACT	OREGON	09-29-2015	09-29-2017	
Entity Name	ORHA EDUCATION, INC.					
Foreign Name						
Non Profit Type	PUBLIC BENEFIT					

[New Search](#)

Associated Names

Type	PPB	PRINCIPAL PLACE OF BUSINESS			
Addr 1	1462 COMMERCIAL ST NE				
Addr 2					
CSZ	SALEM	OR	97301	Country	UNITED STATES OF AMERICA

Please click [here](#) for general information about registered agents and service of process.

Type	AGT	REGISTERED AGENT	Start Date	10-06-2016	Resign Date	
Name	TERRY		TURNER			
Addr 1	1462 COMMERCIAL ST NE					
Addr 2						
CSZ	SALEM	OR	97301	Country	UNITED STATES OF AMERICA	

Type	MAL	MAILING ADDRESS			
Addr 1	1462 COMMERCIAL ST NE				
Addr 2					
CSZ	SALEM	OR	97301	Country	UNITED STATES OF AMERICA

Type	PRE	PRESIDENT		Resign Date	
Name	MICHAEL	J	STEFFEN		
Addr 1	3709 PINE CANYON DR				
Addr 2					
CSZ	EUGENE	OR	97405	Country	UNITED STATES OF AMERICA

Type	SEC	SECRETARY		Resign Date	
Name	TERRY		TURNER		

Addr 1	1462 COMMERCIAL ST NE				
Addr 2					
CSZ	SALEM	OR	97301	Country	UNITED STATES OF AMERICA

[New Search](#)

Name History

Business Entity Name	Name Type	Name Status	Start Date	End Date
ORHA EDUCATION, INC.	EN	CUR	09-29-2015	

Please [read](#) before ordering [Copies](#).

[New Search](#)

Summary History

Image Available	Action	Transaction Date	Effective Date	Status	Name/Agent Change	Dissolved By
	AMENDED ANNUAL REPORT	10-06-2016		FI	Agent	
	NOTICE LATE ANNUAL	10-06-2016		SYS		
	ARTICLES OF INCORPORATION	09-29-2015		FI	Agent	



Corporation/Limited Liability Company - Information Change

Secretary of State - Corporation Division - 255 Capitol St. NE, Suite 151 - Salem, OR 97310-1327 - http://www.FilingInOregon.com - Phone: (503) 986-2200 Fax: (503) 378-4381

Print Form

Reset Form

REGISTRY NUMBER: 1149599-92

ENTITY TYPE: [X] DOMESTIC [] FOREIGN

In accordance with Oregon Revised Statute 192.410-192.490, the information on this application is public record. We must release this information to all parties upon request and it will be posted on our website.

For office use only

1. NAME OF CORPORATION OR LIMITED LIABILITY COMPANY:

ORHA EDUCATION INC.

Complete only the sections that you are updating.

2. BUSINESS ACTIVITY

PUBLIC BENEFIT - EDUCATION

6. ADDRESS WHERE THE DIVISION MAY MAIL NOTICES:

P.O. BOX 1984

REDMOND OREGON 97756

3. PRINCIPAL PLACE OF BUSINESS: (Street Address)

1462 COMMERCIAL ST. N.E.

SALEM OREGON 97301

7. THE NEW REGISTERED AGENT HAS CONSENTED TO THIS APPOINTMENT.

8. THE STREET ADDRESS OF THE NEW REGISTERED OFFICE AND THE BUSINESS ADDRESS OF THE REGISTERED AGENT ARE IDENTICAL.

The entity has been notified in writing of this change.

4. THE REGISTERED AGENT HAS BEEN CHANGED TO:

SHARROL LYONS

5. REGISTERED AGENT'S PUBLICLY AVAILABLE ADDRESS:

Must be an Oregon Street Address, which is identical to the registered agent's office.

1462 COMMERCIAL ST. N.E.

SALEM OREGON 97301

NAME(S) AND ADDRESS(ES) OF CORPORATE OFFICERS OR LLC MEMBERS/MANAGERS

Corporations list the name and address of the President and Secretary (ORS 60.787, ORS 65.787, ORS 62.455, ORS 554.315). Limited Liability Companies list the name and addresses of the managers for a manager-managed limited liability company or the name and address of at least one member for a member-managed limited liability company (ORS 63.787). List all current names and addresses. This replaces what is currently on the record.

9. PRESIDENT OR OWNER(S) (MEMBERS): (Names and Addresses)

MICHAEL J STEFFEN

3709 PINE CANYON DRIVE

EUGENE OREGON 97405

10. SECRETARY OR MANAGER(S): (Names and Addresses)

SHARROL LYONS

PO BOX 1984

REDMOND OREGON 97756

11. EXECUTION: By my signature, I declare as an authorized signer, that this filing has been examined by me and is, to the best of my knowledge and belief, true, correct and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment or both.

SIGNATURE:

Sharrol Lyons

PRINTED NAME:

SHARROL LYONS

TITLE:

SECRETARY

CONTACT NAME: (To resolve questions with this filing)

SHARROL LYONS

PHONE NUMBER: (Include area code)

541-548-7368

FEES

No Processing Fee

Free copies are available at FilingInOregon.com using the Business Name Search program.

ADMINISTRATIVE ACTIONS
Reported
11/15/16 through 3/13/17

REVOCATIONS

Hillendahl, Lane (Cottage Grove) Principal Broker 200506313, Stipulated Order dated December 2, 2016, issuing a revocation.

Dugas, Stephanie (Cottage Grove) Broker 200601098, Default Order dated December 20, 2016, issuing a revocation.

Buckley, Charles (Toledo) Principal Broker 811100166, Default Order dated January 3, 2017, issuing a revocation.

Gregg, Richard (Newport Beach) Principal Broker 201208284, Default Order dated January 18, 2017, issuing a revocation with a \$1,500 civil penalty for unlicensed activity.

McIver, Benjamin (Eugene) Property Manager 990800144, Default Order dated January 20, 2017, issuing a revocation with a \$10,000 civil penalty for failure to produce property management records.

SUSPENSIONS

REPRIMANDS

Forhan, Anthony (Portland) Property Manager 200805072, Stipulated Order dated November 29, 2016, issuing a reprimand with a \$1,600 civil penalty for late renewal.

Boehnen, Jerry (Klamath Falls) Broker 970700070, Stipulated Order dated January 9, 2017, using a reprimand.

CIVIL PENALTIES

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

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of

5
6 LANE ELIZABETH HILLENDAHL

7
8 } STIPULATED FINAL ORDER
9

10 The Real Estate Agency (OREA) and Lane Elizabeth Hillendahl (Hillendahl) do hereby
11 agree and stipulate to the following:

12 FINDINGS OF FACT

13 &

14 CONCLUSIONS OF LAW

15 1.

16 1.1 Hillendahl was licensed as a principal broker with Rain Country Realty Inc. On
17 June 8, 2016, Hillendahl voluntarily disassociated her license with Rain Country Realty Inc.,
18 and as a result, Hillendahl's license is inactive.

19 1.2 In a letter dated June 9, 2016, Hillendahl self-reported to OREA that she
20 doctored well test results in a transaction. OREA also received additional information from
21 several sources regarding details of what occurred in the transaction.

22 1.3 In her letter, Hillendahl provided the details of the transaction, "When the first
23 acceptable offer came in the Buyers were USDA approved. I told my Seller that to the best of
24 my knowledge USDA will not accept a home that has any arsenic in a well."

25 1.4 According to Hillendahl's letter, the seller failed to believe her and wanted to
26 proceed. Hillendahl stated the arsenic was disclosed to the buyers and the buyer's agent. She
27 stated that several water tests were done, and during this time, the buyers were working on the
28 house, billing improvements they made to escrow. Hillendahl wrote, "Also I was accused of
29 not telling the Seller the true reason for the water samples being done over and over again and
30 all along. The buyer told her it was for more bacteria tests and so again I became, in her mind

1 the bad guy as I told her the lender and other agent were trying to find a way around the
2 arsenic. That was the truth."

3 1.5 In her letter Hillendahl wrote the following, "Lender says it will be at least another
4 month after they get a clean water sample and the Buyer's agent says the water sample will
5 come back "clean after treatment" which the USDA will not accept. At this point under
6 pressure from all sides, I flipped. I doctored the well test and gave them all a copy. I believe I
7 said at the time "See if this gets you out of you [sic] predicament."

8 1.6 OREA received two copies of the water test performed by Analytical Laboratory
9 Group. The first copy contained the notation "ORIGINAL" in handwritten text in the right hand
10 corner. On the "Original" document, the Arsenic Result was .0155 mg/L and was marked by
11 an asterisk. At the bottom of the page, the asterisk corresponded to "Value exceeds Maximum
12 Contaminant Level (MCL)."

13 1.7 The second copy contained the notation "Doctored" in handwritten text in the
14 right hand corner. On the "Doctored" document, the Arsenic Result was .0015 mg/L and the
15 asterisk was absent.

16 **Violation:** By changing the arsenic levels on the water report, Hillendahl committed an
17 act of fraud or engaged in dishonest conduct in violation of ORS 696.301(14) (2015 Edition),
18 which states that a licensee's real estate license may be disciplined if the licensee committed
19 an act of fraud or engaged in dishonest conduct substantially related to the fitness of the
20 applicant or license to conduct professional real estate activity, without regard to whether the
21 act or conduct occurred in the course of professional real estate activity.

22 2.

23 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.
24 Based on these violations a revocation is appropriate under ORS 696.396(2)(c)(C) (2015
25 Edition), According to ORS 696.396, OREA may revoke a real estate license if the material
26 facts establish a violation of a ground for discipline under ORS 696.301 that exhibits
27 dishonesty or fraudulent conduct.

28 2.2 OREA reserves the right to investigate and pursue additional complaints that
29 may be received in the future regarding this licensee.

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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.

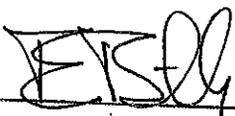
ORDER

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

IT IS SO STIPULATED:

IT IS SO ORDERED:





LANE ELIZABETH HILLENDAHL

GENE BENTLEY
Real Estate Commissioner

Date 12-1-16

Date 12.2.16

Date of service: 12/2/2016

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of)
5)
6 STEPHANIE L. DUGAS) ORDER ON DEFAULT
7)
8)

9 1.

10 1.1 On November 9, 2016, the Real Estate Commissioner issued, by certified mail, a
11 notice of intent to revoke the real estate broker's license of Stephanie L. Dugas (Dugas). The
12 Real Estate Agency (OREA) sent the notice of intent to Dugas' last known address of record
13 with the OREA. The notice of intent was also mailed to Dugas by regular first class mail in a
14 handwritten envelope.

15 1.2 The certified mailing and the first class mailing of the notice of intent were sent to
16 Dugas at 1150 Greer Ave, Cottage Grove, OR 97424.

17 1.3 Over twenty (20) days have elapsed since the mailing of the notice issued in this
18 matter and no written request for hearing has been received.

19 1.4 Copies of the entire investigation file are designated as the record for purposes
20 of default, including any submission from respondent and all information in the administrative
21 file relating to the mailing of notices and any responses received.

22 2.

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

25 2.1 Oregon Administrative Rule 863-001-0006 states, in part, that a notice of intent is
26 properly served when deposited in the United States mail, registered or certified mail,
27 addressed to the real estate licensee or to any other person having an interest in a proceeding
28 before the Commissioner at the licensee's or other person's last known address of record with
29 OREA.

30 2.2 Dugas' last known address of record with OREA was 1150 Greer Ave, Cottage
Grove, OR 97424.

1 3.4 Freddie Mac provided two exhibits with their complaint. The first exhibit
2 contained the following:

- 3 • Invoices from Kent Frey Construction (KFC) for alleged work at:
4 1. 262 Pine St, Sutherlin OR 97479 (Sutherlin property)
5 2. 38483 Hwy 228, Sweet Home OR 87386 (Sweet Home property)
6 3. 404 W Bishop Way, Brownsville, OR 97327 (Brownsville property)
7 • Yard maintenance and property cleaning expenses (without invoices) at:
8 1. 150 E. 48th Ave, Eugene, Or (Eugene property) and
9 2. 134-136 W 2nd St, Lowell OR, (Lowell Property).
10 • An email to Wessler from the owner of KFC, Frey dated February 13, 2013, regarding the
11 validity of the above expenses billed to Freddie Mac.

12 3.5 The second exhibit provided was an email exchange between Megan Reese
13 (Reese), of Freddie Mac, and Dugas, from November 2012.

14 3.6 On November 1, 2012, Dugas emailed Reese. Dugas stated she heard from
15 Beatty that Reese was sending an email regarding issues on several properties. Reese
16 replied to Dugas a couple days later and stated she provided all the information to Beatty for a
17 response. Reese stated she ran a few accounting reports and found Sundance had not
18 submitted any utility bills on Dugas' properties and "only yard maintenance expenses from May
19 to July of this year. All of these issues are violations of our Master Listing & Services
20 Agreement signed by Farris every year."

21 3.7 Reese indicated she was taking Sundance to Freddie Mac's Disciplinary
22 Committee on November 8, 2012 and invited Dugas to provide any information to her no later
23 than Tuesday, November 6, 2012. On November 6, 2012, Dugas stated to Reese she went to
24 the properties to make sure they were up to Freddie Mac's standards. Dugas claimed to put
25 utilities in her name because Beatty would not. She stated, "I haven't submitted for
26 reimbursement because they say it has to be in the company name. I've been turning them on
27 for inspections, appraisals, rehab, etc. I carry all of the expense of the capital repairs, so it is
28 no problem to carry utilities regularly if I am able to submit for reimbursements."

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1 3.8 Freddie Mac's investigation report included the following details:

- 2 • Freddie Mac identified six houses being maintained by Dugas that failed
- 3 inspections by a third-party, hired by Freddie Mac.
- 4 • Frey confirmed by email that Dugas falsely billed Freddie Mac for work on at
- 5 least five properties.
- 6 • A Freddie Mac disciplinary committee held a hearing on November 2012. Dugas
- 7 offered no explanation except to say she had corrected the problem.
- 8 • On November 18, 2012, Sundance was terminated as a Freddie Mac vendor

9 3.9 Freddie Mac found Dugas fraudulently billed them expenses of \$6,455 from April
10 4, 2012 to November 6, 2012 related to:

- 11 • The Sutherlin Property: Two invoices from KFC totaling \$1,035.00 for work
- 12 allegedly done. Frey indicated these invoices were fraudulent.
- 13 • Sweet Home Property: Two invoices from KFC totaling \$600.00 for work
- 14 allegedly done. Frey indicated these invoices were fraudulent.
- 15 • Brownsville Property: Two invoices from KFC totaling \$4,170.00 for work
- 16 allegedly done. Frey indicated these invoices were fraudulent.
- 17 • Lowell and Eugene Properties: Four separate occurrences of yard maintenance
- 18 of \$50.00 per occurrence were billed from KFC. Frey wrote, "I did a one time
- 19 removal of wood debris in the backyard but did not do regular yard maintenance."
- 20 Additionally, four separate occurrences were billed for yard maintenance and
- 21 interior cleaning expenses, of \$75.00 per occurrence were allegedly billed from
- 22 KFC. Frey indicated these billings were fraudulent.

23 3.10 Wessler interviewed Frey during her investigation. Frey said he did mostly rehab
24 work for Dugas. Wessler asked whether Frey did yard maintenance for Dugas, and Frey said
25 he did yard work on one or two properties but never regular maintenance.

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ORDER

IT IS HEREBY ORDERED that Dugas' broker license is revoked.

Dated this 20th day of DECEMBER, 2016.

OREGON REAL ESTATE AGENCY



GENE BENTLEY
Real Estate Commissioner

Date of Service: 12-20-2010

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

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of)
5)
6 CHARLES S. BUCKLEY) ORDER ON DEFAULT
7)
8)
9)

1.

10 1.1 On November 30, 2016, the Real Estate Commissioner issued, by certified mail,
11 a notice of intent to revoke the real estate principal broker license of Charles S. Buckley
12 (Buckley). The Oregon Real Estate Agency (OREA) sent the notice of intent to Buckley's last
13 known address of record with the OREA. The notice of intent was also mailed to Buckley by
14 regular first class mail in a handwritten envelope.

15 1.2 The certified mailing and the first class mailing of the notice of intent were sent to
16 Buckley at 610 NE 1st St, Toledo, OR 97391.

17 1.3 Over twenty (20) days have elapsed since the mailing of the notice issued in this
18 matter and no written request for hearing has been received.

19 1.4 Copies of the entire investigation file are designated as the record for purposes
20 of default, including any submission from respondent and all information in the administrative
21 file relating to the mailing of notices and any responses received.

22 2.

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

25 2.2 Buckley's last known address of record with OREA was 610 NE 1st St, Toledo,
26 OR, 97391.

27 2.3 A certified mailing of the notice of intent was mailed to Buckley at his last known
28 address of record on November 30, 2016. Buckley signed for the certified mailing of the notice
29 of intent on December 2, 2016.

30 ///

2.4 The mailing in the handwritten envelope has not been returned to OREA. In
accordance with ORS 40.135(1)(q), there is a presumption that the mailing properly addressed

1 and placed with the U.S. Postal Service was delivered. That presumption has not been
2 overcome by any evidence.

3 2.5 Over twenty (20) days have elapsed since the mailing of the notice and no
4 written request for a hearing has been received.

5 FINDINGS OF FACT

6 &

7 CONCLUSIONS OF LAW

8 3.

9 3.1 Buckley was licensed as a principal broker with Oregon Coast Properties until
10 February 11, 2016, at which time his license was disassociated with Oregon Coast Properties,
11 causing Buckley's license to become inactive.

12 3.2 On February 22, 2016, Buckley self-reported to OREA that he pled guilty to five
13 counts of Encouraging Child Sexual Abuse in the First Degree on February 10, 2016.

14 3.3 A cyber tip from the National Center for Missing and Exploited Children (NCMEC)
15 involving sexually explicit images of prepubescent children was sent to a special agent at the
16 Department of Justice and was then forwarded on to local law enforcement in the area to
17 investigate. The report from NCMEC stated that on April 28, 2015, 37 images of
18 prepubescent children were downloaded to Buckley's IP address. Detectives determined that
19 10 of the 37 images were of prepubescent children displaying their genitals.

20 3.4 On December 16, 2015, Buckley was arrested by the Toledo Police Department
21 (Case # TOP15000239).

22 3.5 On February 10, 2016, Buckley pled guilty to 5 counts of Encouraging Child
23 Sexual Abuse in the First Degree (Lincoln County Circuit Court, Case # 15CR57643). Buckley
24 was sentenced to 56 days of jail time, and given three years of supervised probation.

25 3.6 Buckley's supervised probation included, but not limited to, the following
26 requirements:

- 27
- 28 • Attend sex offender counseling
 - 29 • "Regardless of whether or not sex offender treatment is recommended by the
30 evaluator, the defendant shall not be in the immediate presence of any female or
male under the age of 18 years, unless that male or female's parent or legal
guardian is in the same room, car or location with the defendant and that male or
female. This condition does not apply to a public setting such as a grocery store,

1 variety store or bowling alley where adults, not including friends or associates of
2 the defendant are actually present in the immediate vicinity of the defendant and
3 any male or female under the age of 18 years. This condition does apply to the
4 above locations if such other adults are not actually present in the immediate
5 vicinity of the defendant and the minor male or female and to any private
6 residence and vehicle and also to any public or private setting (such as yard,
7 field, public park or forest) where an opportunity for privacy with such male or
8 female might arise.”

- 9 • “The Defendant shall not own, control, use or possess any computer or other
10 electronic device capable of accessing the Internet, except for the multiple-listing
11 of real property for sale in Lincoln County, Oregon. If it is not possible to restrict
12 the Defendant’s internet access to a multiple-listing real estate site, the
13 Defendant may not use a computer or other electronic device capable of
14 connecting to the Internet unless there is a non-relative adult who works in real
15 estate and who is simultaneously viewing the same material that is being viewed
16 by the Defendant.”

17 **Violation:** By being convicted of five counts of Encouraging Child Sexual Abuse in the
18 First Degree (Class B Felony) Buckley violated ORS 696.301(11) (2015 Edition), which states
19 a licensee’s real estate license may be disciplined if they have been convicted of a felony or
20 misdemeanor substantially related to the licensee’s trustworthiness or competence to engage
21 in professional real estate activity.

22 **Violation:** By being engaging in conduct which resulted in his conviction of five counts
23 of Encouraging Child Sexual Abuse in the First Degree (Class B Felony) Buckley violated ORS
24 696.301(15) (2015 Edition) which states a licensee’s real estate license may be disciplined if
25 they have engaged in any conduct that is below the standard of care for the practice of
26 professional real estate activity in Oregon as established by the community of individuals
27 engaged in the practice of professional real estate activity in Oregon.

28 3.7 On May 19, 2016, through Lincoln County Circuit Court (Case # 16CR30065) a
29 Secret Indictment was entered charging Buckley with 16 counts of Encouraging Child Sexual
30 Abuse in the First Degree.

1
2 REAL ESTATE AGENCY
3 BEFORE THE REAL ESTATE COMMISSIONER

4 In the Matter of the Real Estate License of)
5)
6 RICHARD ERNEST GREGG) ORDER ON DEFAULT
7)
8)

9 1.

10 1.1 On November 14, 2016, the Real Estate Commissioner issued, by certified mail,
11 a notice of intent to levy a civil penalty and revoke the real estate principal broker license of
12 Richard Ernest Gregg (Gregg). The Oregon Real Estate Agency (OREA) sent the notice of
13 intent to Gregg's last known address of record with the OREA on November 15, 2016. On
14 November 15, 2016, the notice of intent was also mailed to Gregg by regular first class mail in
15 a handwritten envelope.

16 1.2 The certified mailing and first class mailing of the notice of intent were sent to
17 Gregg at the following addresses: 22061 Teresa, Mission Viejo, CA 92692 (OREA address of
18 record for Gregg) and 27093 Callado Mission Viejo, CA 92691 (address provided by
19 complainant for Gregg).

20 1.3 OREA received back both the certified mailing and regular mailing of the notice
21 of intent mailed to 22061 Teresa, Mission Viejo, CA 92692. The regular mail returned was
22 marked, "Return to Sender Not Deliverable As Addressed Unable to Forward." The certified
23 mailing was marked, "Return to Sender Not Deliverable As Addressed Unable to Forward."

24 1.4 OREA received back the certified mailing of the notice of intent mailed to 27093
25 Via Callado, Mission Viejo, CA 92691, it was marked, "Forward Time Exp Rtn to Send," and
26 provided a forwarding address for Richard E Gregg of 94 Hartford Dr #53, Newport Beach, CA
27 92660. The regular mailing of the notice of intent was not returned to OREA.

28 1.5 On November 21, 2016, a copy of the notice of intent was emailed to Gregg
29 using the email address OREA had on file, richard@oreoit.com.

30 ///

1 3.4 On October 2, 2013, Gregg and Gabriel discussed the vesting and financing of
2 the subject property purchase by email. Gregg asked Gabriel to sign the vesting agreement
3 attached to his email and Gabriel replied, "Please attach a copy of the contract along with this
4 assignment (no worry about the assignment fee :)." Gregg responded to the email, "I do not
5 have a copy of the contract, but attached is escrow instructions, which should do what you
6 need."

7 3.5 On October, 7, 2013, Gabriel emailed the lender and Gregg stating, "The Escrow
8 is in SRB Investment Properties name and not Princy Investment Group Inc? That is fine if we
9 are doing a double closing otherwise what is needed is the contract which shows that SRB
10 Investment Properties, Inc has the right to assign the contract and the assignment agreement
11 which stipulate the contract purchase price plus the assignment fee and ORIET marketing fee."

12 3.6 During the investigation OREA Investigator/Auditor Jeremy Brooks interviewed
13 Gabriel regarding the purchase of the subject property. Gabriel said the purchase contract
14 was informal, and Gregg listed himself as an investor, then charged a marketing fee. Gabriel
15 provided for the investigation copies of the vesting agreement between Princy Investment
16 Group, Inc (Gabriel was a real estate investor from the Princy Investment Group) and SRB
17 Investment Properties dated October 3, 2013, where SRB Investment Properties agreed to
18 purchase the subject property for \$78,836.00, pay all closing costs and pay a \$2,000
19 "Marketing Fee" to OREOIT LLC. (Gregg was the President of OREOIT according to the
20 Oregon Secretary of State Records.)

21 3.7 Regarding the marketing fee, Gabriel emailed Brooks the following, "Richard
22 received 2,000 from Princy Investment as per the vesting agreement through SRB Investment
23 Properties Inc."

24 3.8 When Brooks first spoke with Gregg about the purchase of the subject property,
25 Gregg said he received a small finder's fee. During Brooks' second interview with Gregg on
26 February 19, 2016, Gregg said, "I was never paid a finder's fee."

27 **Violation:** By receiving a \$2,000 commission in the form of a "marketing fee" for the
28 subject property, as the sole agent of OREOIT LLC, on October 3, 2013, without having an
29 active real estate license, Gregg violated ORS 696.020 (2013 Edition), which states, an
30 individual may not engage in, carry on, advertise or purport to engage in or carry on

1 professional real estate activity, or act in the capacity of a real estate licensee, within this state
2 unless the individual holds an active license.

3 3.9 On April 12, 2014, Gregg sent Gabriel a listing agreement for the subject
4 property. The listing agreement was between Princy Investments Group Inc. and California
5 Home Realty/Richard Gregg, with Gregg listed as, "(Agent)" for California Home
6 Realty/Richard Gregg. The listing agreement set the price at \$179,900. The listing agreement
7 stated under Section 4 Compensation to Broker, "Seller agrees to pay Broker," 6% percent of
8 the listing price. At the time of the listing agreement, Gregg did not have an Oregon real estate
9 license.

10 **Violation:** By entering into a listing agreement with Princy Investment Group on April 9,
11 2014, for the subject property, without having an active real estate license, Gregg violated
12 ORS 696.020 (2013 Edition), which states, an individual may not engage in, carry on,
13 advertise or purport to engage in or carry on professional real estate activity, or act in the
14 capacity of a real estate licensee, within this state unless the individual holds an active license.

15 3.10 On July 23, 2014, Gabriel emailed Gregg requesting a price reduction to either
16 \$174,900 or \$172,900. Gregg replied the following day and suggested lowering the price to
17 \$173,900. On August 14, 2014, Gabriel emailed Greg to point out the websites did not reflect
18 the new sales price and was still showing the \$179,000 price. Gabriel said he tried to contact
19 Gregg for a month and didn't receive a response until Gregg emailed Gabriel on September 9,
20 2014, with multiple reasons why he hadn't been in contact. Gregg stated he was going to take
21 the property off the market for seven days to reset the listing so it would show up as new.

22 3.11 On September 17, 2014, Gabriel emailed Gregg that the property was still
23 showing up on Zillow and Trulia.

24 **Violation:** By failing to lower the subject property listing price on a timely basis after the
25 seller requested the reduction, Gregg violated ORS 696.301(12) (2013 Edition), which states a
26 licensee's real estate license may be disciplined if they have demonstrated incompetence or
27 untrustworthiness in performing any act for which the licensee is required to hold a license.

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1 3.12 On November 16, 2014, Gregg emailed Gabriel an attachment titled, "Purchase
2 Offer Kastle. pdf." In his complaint Gabriel made several comments about the purchase
3 contract and the pre-approval letter, including the following:

4 "The contract looked unusual with no closing date or other dates in it. I had called that
5 [sic] alleged buyer after searching the name on the Internet, the buyer [sic] agent that
6 was on the contract and the mortgage company that was supposedly issued the letter
7 for the buyer. Found out that the person listed as buyer- Richard Castle- not in the
8 market to buy any property and he did not know or met [sic] Richard, that Blum Real
9 Estate named buyer agency do [sic] not have that buyer or the property in their records
10 and the mortgage company- LandMark and Associates Inc. – do [sic] not have that
11 named Loan Originator – Nelson Lomax – and the company is licensed only in Florida
12 and never done any business in Oregon. Richard fake and forged not only a Sales
13 Contract but also a Loan Pre-approval Letter. I sent the data to the Lender. And on 11-
14 21-2014 talked to Richard and he gave me names of the broker and the mortgage
15 company phone number and both were made up names and wrong phone numbers.
16 And that led to investigating the data in the contract and the letter."

17 On November 19, 2014, Gregg sent Gabriel an attachment titled "Preapproval.pdf."

18 3.13 A "Prequalification Letter" was also included with Gregg's November 16, 2014
19 email that indicates on November 7, 2014, borrower Chad Kastle was pre-qualified by Nelson
20 Lomax, Loan Originator of LandMark Mortgage & Associates, to purchase a home for up to
21 \$183,400.00 and referenced the subject property in the address line.

22 3.14 Brooks contacted Nelson Lomax and discussed the pre-qualification letter with
23 Lomax. Lomax told Brooks he had never heard of Chad Kastle, the alleged buyer. Brooks was
24 able to confirm the letterhead from the pre-qualification letter submitted by Gregg did not come
25 from LandMark Professional Mortgage. Brooks searched the National Mortgage System for
26 additional loan originators named Nelson Lomax nationwide. The only result was for Nelson
27 Lomax, who was registered with Landmark Professional Mortgage in Salem Oregon.

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1 3.15 By doing an online search, Brooks was able to locate LandMark Mortgage &
2 Associates, Inc., in Lakeland FL that appeared to have a similar logo to the prequalification
3 letter submitted by Gregg. Brooks contacted LandMark Mortgage & Associates, Inc., to find
4 out if Nelson Lomax had ever worked there or if Kastle had been a client in the past. Brooks
5 was told Lomax did not ever work there, and they did not have any record of any file for Chad
6 Kastle as a borrower.

7 3.16 Brooks met with Gladys Blum (Blum) of Blum Real Estate to verify the details of
8 the purchase offer Gregg submitted to Gabriel. The purchase contract appeared to have been
9 written by Patrick Livingston (Livingston) at Blum Real Estate. Blum stated she didn't have a
10 broker named Livingston and was not familiar with the offer. The transaction coordinator from
11 Blum Real Estate, verified they were not familiar with Kastle, Livingston or the transaction in
12 general.

13 3.17 Brooks contacted Chad Kastle (Kastle) in Salem Oregon using a phone number
14 he found on the internet. Kastle confirmed he had not made any offer on the subject property.
15 Brooks was unable to locate any other Chad Kastle located in Salem.

16 **Violation:** By making a material misrepresentation to the seller presenting a fictitious
17 mortgage pre-qualification letter associated with a purchase offer Gregg violated ORS
18 696.301(1), (12) and (14) (2013 Edition) which states, a licensee's real estate license may be
19 disciplined for the following reasons if they: (1) created a reasonable probability of damage or
20 injury to a person by making one or more material misrepresentations or false promises in a
21 matter related to professional real estate activity, (12) demonstrated incompetence or
22 untrustworthiness in performing any act for which the licensee is required to hold a license,
23 and (14) committed an act of fraud or engaged in dishonest conduct substantially related to the
24 fitness of the applicant or licensee to conduct professional real estate activity, without regard to
25 whether the act or conduct occurred in the course of professional real estate activity.

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ORDER

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

IT IS FURTHER ORDERED that pursuant to ORS 696.990, Gregg pay a civil penalty in the sum of \$1,500, and said penalty to be paid to the General Fund of the State Treasury by paying the same to OREA. ORS 696.990 allows for the imposition of a civil penalty in the range of \$100 to \$500.00 for the first occurrence of unlicensed professional real estate activity, and \$500 to \$1,000.00 for each subsequent occurrence. In this instance there were two occurrences of unlicensed activity.

Dated this 18th day of JANUARY, 2017.

OREGON REAL ESTATE AGENCY



GENE BENTLEY
Real Estate Commissioner

Date of service: 1/18/2017

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

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of
5
6 BENJAMIN F. MCIVER
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}
FINAL ORDER BY DEFAULT
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9 1.

10 1.1 On June 1, 2016, the Real Estate Commissioner issued, by certified mail, a
11 notice of intent to levy a civil penalty and to revoke Benjamin F. McIver's (McIver) property
12 manager license. The Oregon Real Estate Agency (OREA) sent the notice of intent to
13 McIver's last known address of record with OREA and also mailed it to McIver's new address
14 (as determined from the investigation). The notice of intent was also mailed to McIver by
15 regular first class mail in a handwritten envelope to both the address of record and McIver's
16 new address. The certified mailings for both mailings was returned, marked "RETURN TO
17 SENDER UNCLAIMED UNABLE TO FORWARD." Neither of the first class mailings in the
18 handwritten envelopes were returned to OREA.

19 1.2 By letter dated June 19, 2016, McIver requested a hearing in this matter.

20 1.3 On August 17, 2016, the Real Estate Commissioner issued, by certified mail an
21 amended notice of intent. OREA mailed the amended notice of intent to McIver's new address
22 (determined from the investigation). The notice of intent was also mailed to McIver by regular
23 first class mail in a handwritten envelope to McIver's new address. The certified mailing was
24 returned marked, "RETURN TO SENDER UNCLAIMED UNABLE TO FORWARD." The first
25 class mailing in the handwritten envelope was not returned to OREA.

26 1.5 On September 28, 2016, OREA emailed a copy of the amended notice of intent
27 to McIver using the email address on record.

28 1.6 OREA file was forwarded to the Office of Administrative Hearings. A hearing
29 date was set for January 10, 2017 at 9:00 AM. McIver did not appear at the hearing, nor did
30 McIver notify OREA or the Office of Administrative Hearings that he would not appear at the
scheduled hearing.

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3.
FINDINGS OF FACT
&
CONCLUSIONS OF LAW

3.1 At all times mentioned herein, Mclver was licensed as a property manager doing business under the registered business name of Mclvers Property Management LLC.

3.2 In December 2015 OREA received a complaint from property owner Steve Robinson (Robinson)

3.3 OREA Investigator/Auditor Peter Bale (Bale) interviewed Robinson on December 22, 2015. Robinson said he had employed Mclver as his property manager since 2002 for his two rentals in Eugene. A tenant moved out of one of Robinson's rentals in August 2015, and Mclver failed to send Robinson the statements or his owner draws. Additionally, Robinson said he didn't receive any documentation or money for September 2015. Robinson confirmed, at the time of the interview, December 22, 2015, he had not heard from Mclver or received any money since July 2015. Robinson was able to access and view his owner statements from Mclver's website on November 13, 2015.

Violation: By failing to disburse owner payments to, or communicate with, property owner, Robinson, from July 2015 to December 22, 2015, Mclver violated ORS 696.890(4)(c), (d), (e) and (f) (2015 Edition) which states, a real estate property manager owes the property owner the following affirmative duties: (c) to exercise reasonable care and diligence; (d) to account in a timely manner for all funds received from or on behalf of the owner; (e) to act in a fiduciary manner in all matters relating to trust funds; and (f) to be loyal to the owner by not taking action that is adverse or detrimental to the owner's interest. Mclver's conduct is grounds for discipline under ORS 696.301(12) and (15).

3.4 In an email dated November 9, 2015, Robinson confirmed he was terminating the property management agreement with Mclver for both of his properties.

3.5 As of December 22, 2015, the OREA licensing database showed the following three Clients' Trust Accounts (CTA) held at US Bank registered by Mclver:

- Mclvers Property Management, LLC Pooled Clients Security Deposits ending in #0559 (CTA Sec 0559)

- 1 • Mclvers Property Management, LLC Pooled Clients' Trust Account Operating
2 ending in #0567 (CTA 0567) and
- 3 • Mclvers Property Management, LLC Pooled Clients' Trust Account Placement
4 ending in #0542 (CTA Placement 0542)

5 3.6 Mclver told Bale during his interview, that CTA Placement 0542 account was
6 closed on January 28, 2014.

7 **Violation:** By failing to notify OREA within 10 days after the date CTA Placement 0542
8 had closed, Mclver violated ORS 696.301(3) (2013 Edition) as it incorporates ORS 696.241(6)
9 (2013 Edition) which states, a property manager or principal broker who closes a clients' trust
10 account, shall notify the agency, within 10 business days after the date the account is closed
11 or transferred, on a form approved by the agency.

12 3.7 During Bale's interview with Mclver on December 24, 2015, Mclver said he
13 realized that he failed to update his address on the OREA licensing database. As of February
14 11, 2016, the OREA licensing database, showed Mclver's main office address as 3361 Marvin
15 Dr., Eugene OR, whereas it should have been 2571 Donegal St, Eugene, OR. Mclver was
16 using the 2571 Donegal St, Eugene location as his main office and was living there as well.

17 **Violation:** By failing to notify OREA prior to moving his business location, Mclver
18 violated ORS 696.301(3) (2015 Edition) as it incorporates ORS 696.200(1)(d) and (2) (2015
19 Edition) which states, a licensed real estate property manager or principal real estate broker
20 shall: (d) before changing a main office location, notify the Agency of the new location on a
21 form approved by the agency and (2) the change of a business location without notification to
22 the agency as required by subsections (1) and (5) of this section is grounds for revocation of a
23 real estate license.

24 3.8 Bale obtained bank statements for CTA Sec 0559 and CTA 0567 from US Bank
25 and reviewed supporting documentation. Within the copies of returned checks provided with
26 the November 2015 CTA 0567 bank statement was check number #3408, dated 10/9/15
27 payable to Eugene Water and Electric Board for \$225.00. The handwritten entry on the check
28 memo was, "2571 Donegal," Lane County records showed Mclver as the owner of this house.
29 Mclver paid for services from Eugene Water and Electric Board for the home/office he used
30 located at 2571 Donegal St, Eugene, out of the owners CTA 0567.

1 **Violation:** By using owner funds to pay for his own personal and/or business expense
2 Mclver violated ORS 696.301(12)(2015 Edition) which states a licensee may be subject to
3 discipline if they have demonstrated incompetence or untrustworthiness in performing any act
4 for which the licensee is required to hold a license. Additionally, Mclver committed an act of
5 fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or
6 licensee to conduct professional real estate activity in violation of ORS 696.301(14) (2015
7 Edition).

8 3.9 During his interview on December 24, 2015, Bale requested CTA reconciliations
9 from Mclver. Mclver was to produce the reconciliations by December 28, 2015, for both CTA
10 Sec 0559 and CTA 0567. Mclver failed to provide the reconciliations to OREA by the
11 December 2015 deadline. Requests for inspection of records were made by Bale and OREA
12 Regulations Manager, on January 6, 2016. Mclver was to produce the requested documents
13 no later than by 5pm on January 6, 2016. Mclver failed to produce the documents by the
14 January 6, 2016 deadline.

15 **Violation:** By failing to produce the requested documents by the deadline, Mclver
16 violated ORS 696.301(3) (2015 Edition) as it incorporates OAR 863-025-0035(2)(b) (5-15-14
17 Edition), which states a property manager must produce records for inspection of the Agency
18 as follows: (b) if the Agency has reasonable grounds to believe that funds of an owner or
19 tenant may be missing or misappropriated or that the property manager is engaging in
20 fraudulent activity, any records demanded or requested by the Agency must be produced
21 immediately.

22 3.10 On January 8, 2016, Mclver wrote to Bale and attached pdf files titled, "Clients'
23 trust account November 2015" and "Clients trust account reconciliation November 2015."

24 3.11 Bale reviewed the CTA documents provided by Mclver. The documents
25 submitted did not include the OREA required reconciliations for either account. The Owners'
26 Reconciliation report was for bank CTA 0567. Within this report were the following items:

- 27 • "Uncleared Money In" totaling \$27,246.00. There were 16 items in the
- 28 "Uncleared Money In" schedule dating as far back as March 12, 2014 and
- 29 • "Uncleared Money Out" totaling \$18,622.94. There were 38 items in the
- 30 "Uncleared Money Out" schedule dating as far back as January 5, 2014.

- 1 • Allowing for these entries the "Bank Ledger Balance as of 11/30/2015" was
2 \$11,766.71. The actual amount in the bank account at that date was \$3,143.65.

3 **Violation:** By allowing "Uncleared Money In" (outstanding deposits) transactions
4 totaling \$27,260.00 to remain in the bank reconciliation for owners' account for CTA 0567 from
5 as far back as March 12, 2014, Mclver violated ORS 696.890(4)(c) and (e) (2013 and 2015
6 Editions) which state a real estate property manager owes the property owner the following
7 affirmative duties: (c) to exercise reasonable care and diligence and (e) to act in a fiduciary
8 manner in all matters relating to trust funds. Mclver's conduct is grounds for discipline under
9 ORS 696.301(12) and (15).

10 **Violation:** By allowing, "Uncleared Money Out" (outstanding checks and payments)
11 transactions totaling \$18,622.94 to remain in the bank reconciliation for CTA 0567, from as far
12 back as January 5, 2014, Mclver violated ORS 696.890(4)(c) and (e) (2013 and 2015 Editions)
13 which state a real estate property manager owes the property owner the following affirmative
14 duties: (c) to exercise reasonable care and diligence and (e) to act in a fiduciary manner in all
15 matters relating to trust funds. Mclver's conduct is grounds for discipline under ORS
16 696.301(12) and (15).

17 3.12 On January 14, 2016, Mclver sent Bale reconciliation reports for September and
18 October 2015 for CTA Sec 0559 and CTA 0567. The reconciliation documents did not include
19 the following required supporting documentation: owners' ledgers, tenants' ledgers, and the
20 receipts and disbursement reports. The reconciliation report did not contain the required three
21 components and was not signed or dated.

22 **Violation:** By failing to properly complete the clients' trust account and security deposit
23 account reconciliation, containing the required three components, Mclver violated ORS
24 696.301(3) (2015 Edition) as it incorporates OAR 863-025-0025(20) and (21) (5-15-2014
25 Edition) which requires a property manager to reconcile each clients' trust account and security
26 deposit account within 30 calendar days of the date of the bank statement, and the
27 reconciliation document must contain the required three components and be signed and dated.

28 3.13 On January 21, 2016, Mclver met with Bale at OREA. During the meeting Mclver
29 printed out the ePayments Batch Report listing for November 2015, which listed the total for
30 the automated transfer of owners' draws paid. Mclver also printed out a list of owners'
balances for November 2015.

1 3.14 Bale created a spreadsheet from the list of owners' balances provided by Mclver.
2 The spreadsheets included the following four negative balances:

- 3 • Marilyn Nichols -\$2,752.25
- 4 • Mike Davis -\$1,075.00
- 5 • Randy and Karen Feldhaus -\$4,645.00
- 6 • Richard Wirkus -\$50.00

7 The spreadsheet included two owner accounts for Mclver, one of which was negative:

- 8 • Ben Mclver \$4,241.87
- 9 • Mclvers PM LLC -\$7,716.49

10 Mclver said the account with the positive balance was for the house he was living in, which he
11 owned, and had previously been a rental home.

12 **Violation:** By allowing negative balances in the November 2015 report of the property
13 owner's ledger accounts for Marilyn Nichols (-\$2,752.25), Mike Davis (-\$1,075.00), Randy and
14 Karen Feldhaus (-\$4,645.00), and Richard Wirkus (-\$50.00), Mclver violated ORS 696.301(3)
15 (2015 Edition) as it incorporates OAR 863-025-0025(12) (5-14-15 Edition), which states a
16 property manager may not disburse funds from a clients' trust account or security deposits
17 account unless there are sufficient funds in the ledger account against which the disbursement
18 is made.

19 **Violation:** By allowing his own funds to be commingled in the property owners clients'
20 trust account Mclver violated ORS 696.301(3)(2015 Edition) as it incorporates OAR 863-025-
21 0025(3)(a) (5-14-2015 Edition) which states, only funds received by the property manager on
22 behalf of an owner may be held in a clients' trust account. Mclver also violated ORS
23 696.301(3) (2015 Edition) as it incorporates ORS 696.241(7) (2015 Edition) which states a
24 property manager may not commingle any other funds with the trust funds held in a clients'
25 trust account, except for earned interest on a clients' trust account as provided in subsections
26 (9) and (10).

27 3.15 To calculate the estimated range of shortfall in the bank account two different
28 calculations were performed.

29 Comparing the bank statement to the total of positive owners' ledger balances:

- 30 • As of November 30, 2015, the balance at US Bank for CTA 0567 was \$3,143.65.
 The total from the spreadsheet created by Bale for positive owners' ledger

1 balances was \$24,139.39. In comparing the bank statement balance of
2 \$3,143.65 against the total of positive owners' ledger balances of \$24,139.39,
3 there is an estimated shortfall of \$20,995.74 in the bank account.

4 Comparing the check register to the total of positive owners' ledger balance:

- 5 • In comparing the total of positive owners' ledger balances of \$24,139.39 against
6 the check register balance as of November 30, 2015, which was \$11,766.71,
7 there is an estimated shortfall of \$12,372.68 in the bank account.

8 The estimated bank account shortfall ranges from \$12,372.68 to \$20,995.74.

9 **Violation:** By causing and/or allowing a short fall to exist in CTA 0567 Mclver
10 demonstrated incompetence or untrustworthiness in performing any act for which the licensee
11 is required to hold a license, in violation of ORS 696.301(12) (2015 Edition). Additionally,
12 Mclver committed an act of fraud or engaged in dishonest conduct substantially related to the
13 fitness of the applicant or licensee to conduct professional real estate activity, in violation of
14 ORS 696.301(14) (2015 Edition) Lastly, Mclver violated ORS 696.890(4)(c),(e), and (f) (2015
15 Edition) which states, a real estate property manager owes the property owner the following
16 affirmative duties: (c) to exercise reasonable care and diligence; (e) to act in a fiduciary
17 manner in all matters relating to trust funds; and (f) to be loyal to the owner by not taking action
18 that is adverse or detrimental to the owner's interest.. Mclver's conduct is grounds for
19 discipline under ORS 696.301(15).

20 3.16 All of the above demonstrate incompetence or untrustworthiness for which
21 Mclver is required to hold a license.

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

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2 4.1 The above violations are grounds for discipline pursuant to ORS 696.301. Based
3 on these violations, OREA is revoking Mclver's property manager license. A revocation is
4 appropriate under ORS 696.396(2)(c)(A), (B), and (C) (2015 Edition). According to ORS
5 696.396, OREA may revoke a real estate license if material facts establish a violation of a
6 ground of discipline under ORS 696.301 that results in significant damage or injury, exhibits
7 incompetence in the performance of professional real estate activity, or exhibits dishonesty or
8 fraudulent conduct.

9 ORDER

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

11 IT IS FURTHER ORDERED that pursuant to ORS 696.990(6) and based upon the
12 violation of Mclver failing to produce his property management records, Mclver pay a civil
13 penalty in the sum of \$10,000, and said penalty to be paid to the General Fund of the State
14 Treasury by paying the same to OREA.

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17 Dated this 20th day of JANUARY, 2017.

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19 OREGON REAL ESTATE AGENCY

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22 GENE BENTLEY
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24 Real Estate Commissioner

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26 Date of Service: 1/20/2017

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28 NOTICE: You are entitled to judicial review of this order. Judicial review may be obtained by
29 filing a petition for review within 60 days from the date of service of this order. Judicial review
30 is pursuant to the provisions of ORS 183.482.

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
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4 In the Matter of the Real Estate License of)

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7 ANTHONY MARK FORHAN)

STIPULATED FINAL ORDER

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10 The Oregon Real Estate Agency (OREA) and Anthony Mark Forhan (Forhan) do hereby
11 agree and stipulate to the following:

12 FINDINGS OF FACT
13 &
14 CONCLUSIONS OF LAW

15 1.

16 1.1 At all times mentioned herein, Forhan was licensed as a property manager doing
17 business under the registered business name of Bridge City Properties, LLC.

18 1.2 OREA received several complaints regarding Forhan, two of which were opened
19 into investigations. The first complaint was received on May 10, 2014, from Loel Laughlin
20 (Laughlin), the second was received on July 10, 2015, from Edwin Paul Newcomb (Newcomb).

21 **Details from Complaint/Investigation from Laughlin 2014 Complaint:**

22 1.3 Laughlin's complaint centered around Forhan's handling of security deposit
23 funds.

24 1.4 The investigation from the complaint from Laughlin revealed that Forhan allowed
25 his license to expire on two different occasions, while he continued to do property
26 management activity. The first incident was from February 1, 2012 to March 12, 2012. Forhan
27 stated he became aware of his expired license when he was contacted by OREA by email
28 about Bridge City Properties, LLC's lack of an associated licensee. During his interview with
29 OREA Investigator/Auditor Frances Hlawatsch (Hlawatsch) on October 3, 2014, Forhan readily
30 admitted to conducting professional real estate activity while his license was expired.

1 1.5 The second incident that Forhan's license expired was on February 1, 2014. His
2 license was not renewed until April 10, 2014. An online search of Bridge City Properties
3 resulted in rental advertisements which were posted during the unlicensed period. In his
4 interview, Forhan said it was, "business as usual," during this period.

5 **Violation:** By continuing to conduct management of rental real estate activity from
6 February 1, 2012 to March 14, 2012 (43 days), while his license was expired, Forhan violated
7 ORS 696.020(2011 Edition), which states an individual may not engage in, carry on, advertise
8 or purport to engage in or carry on professional real estate activity, or act in the capacity of a
9 real estate licensee, within this state unless the individual holds an active license.

10 **Violation:** By continuing to conduct management of rental real estate activity from
11 February 1, 2014 to April 9, 2014 (68) days, while his license was expired, Forhan violated
12 ORS 696.020(2013 Edition), which states an individual may not engage in, carry on, advertise
13 or purport to engage in or carry on professional real estate activity, or act in the capacity of a
14 real estate licensee, within this state unless the individual holds an active license.

15 1.6 A review of Forhan's April 10, 2014, renewal application showed Forhan
16 answered, "No" to question 14, which asks if the licensee had conducted professional property
17 management activity at any time while the license was expired.

18 **Violation:** By providing a false answer on the renewal application, Forhan violated ORS
19 696.301(12) (2013 Edition) which states a licensee's real estate license may be disciplined if
20 they have demonstrated incompetence or untrustworthiness in performing any act for which
21 the licensee is required to hold a license.

22 1.7 On October 3, 2014, Hlawatsch interviewed Forhan. Forhan's main office
23 address in OREA licensing records was 14 NE 17th Street, Portland Oregon, which was
24 Forhan's previous home address. During the interview, Forhan explained that he was
25 unaware there was an issue with the business address of record, since he had updated his
26 address for his license. He stated he would correct the problem immediately. Forhan followed
27 up with an email dated October 14, 2014, in which he stated the main office address had been
28 corrected.

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1 **Violation:** By failing to update the main office address, Forhan violated ORS 696.301(3)
2 as it incorporates ORS 696.200(1)(d)(2) (5-15-14 Edition), which requires a property manager
3 to notify the Agency prior to changing a main office location. Change of a business location
4 without notification to the agency as required is grounds for revocation of a real estate license.

5 1.8 Forhan told Hlawatsch that Zack Hagar, who was the Client Services and Tenant
6 Relations Manager for Bridge Cities Properties, LLC completed the three way reconciliations
7 for the clients' trust accounts. All accounting transactions were prepared by Hagar and were
8 finalized by Forhan.

9 1.9 Forhan did not have a written delegation of authority on file for Zack Hagar.
10 Forhan described Hagar's main duties as tenant relations such as applicant screening,
11 maintenance request processing, and account processing.

12 **Violation:** By failing to have a written delegation of authority on file for Zack Hager,
13 Forhan violated ORS 696.301(3) as it incorporates OAR 863-025-0015(1)(3)(c)(D)(6)(b) (5-15-
14 14 Edition), which states each property manager must develop, maintain, and follow written
15 policies for persons and activities under this rule. Policies must specify the duties,
16 responsibilities, supervision and authority, including any authority to handle funds in a clients'
17 trust account or security deposit account for the following persons: (a) an employee of the
18 property manager, including any authority to: (D) conduct tenant relations. The following
19 delegations of the property manager's authority must be in writing, dated and signed by the
20 property manager, and kept with written policies: (b) review and approve reconciliations and
21 receive and disburse funds under OAR 863-025-0025(23).

22 1.10 On October 3, 2014, Hlawatsch requested copies of the clients' trust accounts
23 reconciliations at close of the interview. Multiple requests were made to Forhan requesting
24 him to provide the reconciliation documents. On January 15, 2015, Forhan emailed
25 Hlawatsch, "We will be putting together a current reconciliation for you at the end of this month.
26 This'll be the month we start doing monthly reconciliations moving forward. I'll be in touch
27 beginning of Feb when we have the one ready for you."

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1 1.11 Hlawatsch continued to make multiple requests to Forhan for reconciliation
2 documents. On February 25, 2015, a formal request for documents was mailed to Forhan and
3 also emailed. Forhan was directed to produce completed three way reconciliations for both
4 clients' trust accounts and security deposits accounts by March 4, 2015. Forhan missed the
5 March 4, 2016 deadline. On March 9, 2015, Forhan submitted a reconciliation form for the
6 security deposits account. There was no bank statement, check register or tenant ledger
7 information provided.

8 **Violation:** By failing to properly reconcile the clients' trust account and security deposits
9 account, Forhan violated ORS 696.301(3) as it incorporates OAR 863-025-0025(20) and (21)
10 (5-15-14 Editions) which require a property manager to reconcile each clients' trust account
11 and security deposits account within 30 calendar days of the date of the bank statement.
12 Additionally, by failing to properly reconcile the clients' trust account and security deposits
13 account, Forhan demonstrated incompetence or untrustworthiness in violation of ORS
14 696.301(12) (2013 and 2015 Edition), which states a licensee's real estate license may be
15 disciplined if they have demonstrated incompetence or untrustworthiness in performing any act
16 for which the licensee is required to hold a license.

17 1.12 Additional reconciliation documents were submitted by Forhan. Multiple
18 deficiencies were found in the documents. The account registers submitted lacked detail. The
19 record of receipts did not include the date funds were deposited, and the disbursement records
20 did not contain a running balance, check numbers or the purpose of all payments.

21 **Violation:** By failing to maintain a proper check register Forhan violated ORS
22 696.301(3) as it incorporates OAR 863-025-0040(2)(a)(C)(c)(e) (5-15-14 Edition), which states
23 a record of receipts and disbursements or check register must contain at least the following
24 information for each receipt and disbursement: (C) the purpose of the funds and the identity of
25 the person who tendered the funds, (c) if there is more than one property in a clients' trust
26 account, each entry for a receipt, deposit or disbursement must be identified with the
27 applicable identifying code; (e) the account balance after each entry.

28 1.13 Aside from multiple issues discovered surrounding the clients' trust accounts,
29 Forhan's reconciliation documents showed the clients' trust account and security deposit
30 account did not balance.

1 **Violation:** Forhan's inability to account for all clients' trust account funds demonstrated
2 incompetence in violation of ORS 696.301(12) (2013 and 2015 Editions), which states a
3 licensee's real estate license may be subject to discipline if they have demonstrated
4 incompetence or untrustworthiness in performing any act for which the licensee is required to
5 hold a license.

6 1.14 As of August 25, 2014, licensing records for Bridge City's, LLC included clients'
7 trust account information for three accounts with West Coast Bank ending in #1223, #2155,
8 and #3187, which all appeared to be open. During Hlawatsch' s October 2014 interview with
9 Forhan, he stated all of the clients' trust accounts are held with Bank of America and the West
10 Coast Bank accounts were closed a couple of years prior.

11 1.15 During the October 2014 interview, Forhan also acknowledged that he never
12 reported the clients' trust accounts he had opened with Bank of America in August 2011 to
13 OREA ending in #8861, #8687 and #8674 as required. On October 8, 2014, Forhan updated
14 the clients' trust account information in the OREA's licensing database.

15 **Violation:** By failing to update the bank account information in eLicense, Forhan
16 violated ORS 696.301(3) as it incorporates ORS 696.241(5) (2011 and 2013 Editions), which
17 states a licensed property manager who closes a clients' trust account shall notify the agency
18 within 10 business days after the account is closed or transferred on a form approved by the
19 agency.

20 **Violation:** By failing to notify OREA after opening the new clients' trust accounts with
21 Bank of America, Forhan violated ORS 696.301(3) as it incorporates ORS
22 696.241(4)(a)(b)(c)(d) and (e) (2013 Edition), which states within 10 business days after the
23 date a clients' trust account is opened a licensed property manager shall file with the agency,
24 on forms approved by the agency, the following information about the clients trust account: a)
25 the name of the bank, b) the account number, c) the name of the account, d) the date the
26 account was opened; and e) a statement by the licensed property manager authorizing the
27 Real Estate Commissioner or the commissioner's representative to examine the clients' trust
28 accounts at such time as the commissioner may direct.

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1 1.16 Per the OREA licensing database on January 8, 2015, the clients' trust accounts
2 held with Bank of America ending in #8661 and #8687 were titled "Client Trust Acct- Rental,"
3 and "Client Trust Account- Reserve."

4 **Violation:** By failing to have the clients' trust accounts properly named, Forhan violated
5 ORS 696.301(3) as it incorporates OAR 863-025-0025(2) (2015 Edition), which requires a
6 property manager to open and maintain at least one clients' trust account as defined in OAR
7 863-025-0010. Per OAR 863-025-0010(5): "Clients' Trust Account," means a federally insured
8 bank account labeled as "Clients' Trust Account," on all bank records and checks that is
9 established and maintained by a property manager.

10 1.17 Per OREA licensing database on January 8, 2015, the security deposit account
11 held with Bank of America ending in #8674 was named Client Trust Account- Security
12 Deposit."

13 **Violation:** By failing to have the security deposits account named properly Forhan
14 violated ORS 696.301(3) as it incorporates OAR 863-025-0025(4) (5-15-2014 Edition), which
15 requires a property manager who receives a security deposits on behalf of an owner must
16 open and maintain a security deposit account, as defined in OAR 863-025-0010. Per OAR
17 863-025-0010(15) "Security Deposits Account," means a federally insured clients' trust account
18 labeled as "Clients' Trust Account- Security Deposits," on all bank records and checks that is
19 established and maintained by a property manager, activity in fiduciary capacity on behalf of
20 an owner under a property management agreement for depositing, holding and disbursing
21 security deposit funds.

22 1.18 On March 26, 2015, OREA Auditors/ Financial Investigators Peter Bale and
23 Hlawatsch visited Bridge Cities Properties to address disparities in the account reconciliations.
24 The investigators noted there was no exterior sign indicating that Bridge Cities Properties, LLC
25 was operating out of Forhan's home. There was a sign present inside the building which was
26 visible only when the garage door was opened (this sign did not contain the entire registered
27 business name, see paragraph 1.19 below). Forhan stated that a sign had been ordered and
28 would be up soon.

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1 **Violation:** By not having an exterior sign at the main office, Forhan violated ORS
2 696.301(3) as it incorporates ORS 696.200(1)(c) (2015 Edition), which states a licensed
3 property manager shall designate the main office by a sign that contains the name under which
4 the licensee conducts professional real estate activity.

5 1.19 During the investigation, it was discovered that some of Forhan's advertising for
6 Bridge City Properties LLC, such as the sign at the office (in Forhan's garage), email signature
7 and Bridge City Properties Facebook account did not include the full registered business
8 name.

9 **Violation:** By not using the full registered business name in the advertising, Forhan
10 violated ORS 696.301(3) as it incorporates ORS 696.026(6)(b) (2013 and 2015 Edition), which
11 states all professional real estate activity conducted by the property manager must be
12 conducted under the registered business name.

13 1.20 On June 21, 2016, Forhan was directed to present the most recently completed
14 clients' trust account reconciliations for both trust accounts. Forhan timely submitted the
15 requested documents. Both the clients' trust account and security deposits account appeared
16 to be in balance. All three components were reconciled and in balance.

17 **Details from Complaint/Investigation from Newcomb 2015 Complaint:**

18 1.21 Newcomb's complaint alleged that Forhan failed to release all funds due to
19 Newcomb upon termination of the property management agreement. Newcomb's complaint
20 also alleged that Forhan delayed in making the utility payments causing the accounts to
21 become delinquent and additional fees to be added.

22 1.22 Forhan was hired by Newcomb to manage one of his two rental units located at
23 1545 SE Henry Street, Portland Oregon (subject property). Per the property management
24 agreement Forhan was responsible for utility payments, including water and gas bills.

25 1.23 Forhan procured tenants for the lower level rental unit and they entered into a
26 lease, effective March 1, 2015. There was already a tenant in the upper level of the unit,
27 placed by Newcomb and managed by Newcomb.

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1 1.24 Portland Water Bureau assessed charges and sent out a bill for \$317.90 on
2 February 19, 2015. A late fee of \$3.19 was added on March 19, 2015. Forhan paid \$317.90
3 on March 23, 2015. The late fee was left outstanding. A bill for \$321.71 was sent on May 18,
4 2015. This bill became past due on June 18, 2015, and a \$3.21 fee was added to the account.
5 On July 6, 2015, an additional \$5.00 late fee was accessed.

6 1.25 The water bill was brought current on July 10, 2015, when Newcomb remitted a
7 payment of \$333.10. Newcomb had expected Forhan to pay this bill as he had agreed to in
8 the property management agreement.

9 **Violation:** By failing to timely pay the water bill on multiple occasions, and failing to pay
10 the July 6, 2015 water bill, Forhan violated ORS 696.890(4)(c)(2015 Edition), which states a
11 property manager owes the property owner the following affirmative duties: (c) to exercise
12 reasonable care and diligence. Forhan's conduct is grounds for discipline under ORS
13 696.301(15).

14 1.26 On March 25, 2015, Northwest Natural added a \$73.94 charge to Newcomb's
15 gas bill. This bill was not paid on time. On April 23, 2015, a \$72.43 charge was added to the
16 account. On May 21, 2015, Forhan paid \$146.37, which included the March and April charges
17 and brought the account current. On May 22, 2015, a charge of \$52.49 was added. This bill
18 was not paid until June 25, 2015.

19 **Violation:** By failing to timely pay the utility bill on multiple occasions Forhan violated
20 ORS 696.890(4)(c)(2015 Edition), which states a property manager owes the property owner
21 the following affirmative duties: (c) to exercise reasonable care and diligence. Forhan's
22 conduct is grounds for discipline under ORS 696.301(15).

23 1.27 Forhan explained to Hlawatsch, that the reason the utilities had been paid late
24 was that the bills had most likely not made it to him in a timely manner and there were not
25 sufficient funds in the account when the bills did arrive.

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1 1.28 On June 26, 2015, Newcomb prepared a termination letter. On July 13, 2015,
2 Bridge City Properties, LLC issued a final disbursement of \$1,825.00 to Newcomb. Forhan
3 sent an accompanying owner ledger which incorrectly indicated that \$324.89 had been paid to
4 the Portland Water Bureau on June 23, 2015. Newcomb emailed Forhan on July 13, 2015, to
5 address the shortage in the refund payment. Newcomb informed Forhan that he had paid
6 \$324.89 directly to Portland Water Bureau on July 10, 2015, as the bill was still unpaid at the
7 time. Forhan initially indicated to Hlawatsch that he had paid \$324.89 to Portland Water
8 Bureau on June 25, 2015. In his response to the complaint, he included documentation of this
9 payment being scheduled through Bank of America's online system. Per the Portland Water
10 Bureau account history, there was no record of this payment being applied.

11 1.29 When Forhan researched the issue further at the time of the investigation, he
12 determined that one of the payments to Portland Water Bureau had been remitted on behalf of
13 another client. He said that when he learned of this error he immediately cut a refund check
14 for \$350.00 to Newcomb. Forhan submitted a copy of the check, dated October 26, 2015,
15 along with a copy of a letter for explanation, which he had sent to Newcomb.

16 **Violation:** By failing to pay the water and utility bills on time, failing to pay the \$324.89
17 bill to Portland Water Bureau, and failing to properly account for the \$324.89 to Newcomb,
18 Forhan demonstrated incompetence in violation of ORS 696.301(12) (2015 Edition) which
19 states a licensee may be subject to discipline if they have demonstrated incompetence or
20 untrustworthiness in performing any act for which the licensee is required to hold a license.

21 **Violation:** By failing to properly account for the \$324.90 Portland Water Bureau bill by
22 failing to provide Newcomb with the funds and correct final accounting of the owner's ledger
23 account within 60 days of the termination of the property management agreement Forhan
24 violated ORS 696.301(3) as it incorporates OAR 863-025-0070(2)(b)(A)(B) (5-15-14 Edition)
25 which states, not later than 60 days after the effective date of the termination, the property
26 manager must provide the owner with the following: (A) a final accounting of the owner's
27 ledger account; and (B) All funds belonging to the owner as shown on the owner's ledger,
28 unless the owner directs the property manager, in writing, to transfer the funds to another
29 property manager, escrow agent, or person.

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1 1.30 In May 2015, (prior to the property management agreement being terminated)
2 the dishwasher in the subject property's lower unit became inoperative. Multiple emails
3 between Forhan and Newcomb were sent regarding the purchase of the unit. Forhan indicated
4 he was waiting for rent funds to purchase the unit. On June 8, 2015, Forhan emailed
5 Newcomb stating that he, "fronted the money" for the dishwasher, and that only a portion of the
6 rent had been paid, and there was a "lag in deposits" due to the tenant making online rent
7 payments.

8 1.31 On June 10, 2015, Forhan emailed Newcomb stating the dishwasher would,
9 "cost under \$300, installation will be \$134."

10 1.32 The investigation showed that the unit Forhan had ordered on June 13, 2015,
11 was \$399.00 instead of, "under \$300.00," as Forhan had represented previously to Newcomb.
12 The total invoice amount was \$553.99, which included the machine, hose and installation fee.

13 1.33 On June 22, 2015, Forhan emailed Newcomb a copy of the owner statement.
14 The dishwasher was not accounted for on the statement. Forhan explained that this was due
15 to Bridge Cities Properties, LLC not having been billed for it yet.

16 1.34 On June 23, 2015, further disagreement arose regarding the dishwasher unit
17 Forhan ordered, and Newcomb asked Forhan to cancel the order. Forhan indicated to
18 Newcomb that the unit he had ordered cost \$279 and told Newcomb he had cancelled the
19 order.

20 **Violation:** By mishandling the payment arrangement for the dishwasher Forhan violated
21 ORS 696.890(4)(a) (2015 Edition) which states a property manager owes the property owner
22 the following affirmative duties: (a) to deal honestly and in good faith. Forhan's conduct is
23 grounds for discipline under ORS 696.301(15).

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ORDER

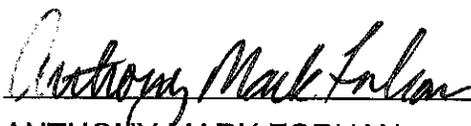
IT IS HEREBY ORDERED that Forhan's property manager license be, and hereby is, reprimanded.

IT IS FURTHER ORDERED that Forhan complete the 27-hour Property Manager Advanced Practices Course, (detailed in OAR 863-022-0022) no later than four (4) months from the effective date of this order. Forhan 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 no later than 10 days after the education has been completed.

IT IS FURTHER ORDERED that pursuant to ORES 696.990(1) to (9) and based upon the violations of conducting management of rental real estate activity when his license was expired, Forhan pay a civil penalty in the sum of \$ 1,600.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to OREA. The civil penalty is computed in accordance with ORS 696.990(4) and (9), in that each 30 day period of unlicensed activity is considered one violation. In this instance, there was: a) one 30 day period (February 1, 2012-March 14, 2012), for which the civil penalty assessed is \$100.00, b) two 30-day periods of unlicensed activity (February 1, 2014 to April 9, 2014), for which the civil penalty assessed is \$1,500.00.

IT IS SO STIPULATED:

IT IS SO ORDERED:


ANTHONY MARK FORHAN


GENE BENTLEY
Real Estate Commissioner

Date 11-16-16

Date 11-29-16

Date of Service: 11/29/2016

1 REAL ESTATE AGENCY
2 BEFORE THE REAL ESTATE COMMISSIONER
3

4 In the Matter of the Real Estate License of)
5

6 JERRY PATRICK BOEHNEN)

STIPULATED FINAL ORDER
7
8
9

10 The Oregon Real Estate Agency (OREA) and Jerry Patrick Boehnen (Boehnen) do
11 hereby agree and stipulate to the following:

12 FINDINGS OF FACT

13 &

14 CONCLUSIONS OF LAW

15 1.

16 1.1 Boehnen was licensed as a real estate broker working under Exit Rookstool
17 Moden Realty Co. (Exit Rookstool), from July 30, 2008 to January 1, 2013. Since January 30,
18 2014, Boehnen has been working under EXP Realty, LLC.

19 1.2 On September 23, 2014, OREA received a copy of a civil complaint from
20 Katherine Ash (Ash) against Boehnen. On January 5, 2015, OREA opened an investigation.

21 1.3 Boehnen represented both Ash as the buyer, and the sellers, Thomas and Maria
22 Dickerts (Dickerts) during Ash's purchase of 2210 Vine Ave, Klamath Falls (subject property).

23 1.4 The subject property was owned by Boehnen's in-laws, the Dickerts. Boehnen
24 helped his father-in-law do some repairs after the house was purchased.

25 1.5 On July 22, 2010, Ash signed an offer on the subject property. The Dickerts
26 accepted the offer on the same day, with Boehnen representing both Ash and the Dickerts.

27 1.6 The Professional Inspection Addendum to the sales agreement stated Ash would
28 order and pay for a professional home inspection. Time was of the essence on July 22, 2010,
29 and the default language stated the home inspection was supposed to be ordered and
30 completed with the report delivered to Ash, within 10 business days after written acceptance of
the agreement. The "inspection period" was to be followed by the "negotiation period" of the

1 default 3 days from the earlier of the receipt of the report or after expiration of the inspection
2 period. According to the document, a pest and dry rot inspection was not going to be done.

3 1.7 On August 26, 2010, the property was inspected, and the inspection report was
4 completed on August 30, 2010. Boehnen failed to have the parties agree per addendum for
5 the lapse of time regarding the inspection period and negotiation period.

6 1.8 Escrow was opened on August 30, 2010 at Aspen Title & Escrow, Inc. (Aspen
7 Title). On August 30, 2010, Aspen Title sent a letter to Boehnen, enclosed was the preliminary
8 title report and any "CCR's" for the subject property. Per the sales agreement, the transaction
9 was subject to Ash's review and approval of the preliminary title report, recorded covenants,
10 conditions and restrictions. According to the sales agreement, the preliminary title report for
11 the subject property were supposed to be ordered promptly upon acceptance of the offer.

12 **Violation:** By opening escrow over a month after acceptance, Boehnen failed to
13 exercise reasonable care and diligence, in violation of ORS 696.301(3) as it incorporates ORS
14 696.815(2) (2009 Edition) and OAR 863-015-0135(5) (6-15-2010 Edition). ORS 696.815(2)
15 states a real estate licensee acting pursuant to a disclosed limited agency agreement has the
16 following duties and obligations (a) To the seller, the duties under ORS 696.805, (b) To the
17 buyer, the duties under ORS 696.810. Per ORS 696.805(3)(a) and ORS 696.810(3)(a), a
18 licensee owes the buyer and seller the following affirmative duties: (a) To exercise reasonable
19 care and diligence.

20 1.9 Boehnen ordered a pest and dry rot inspection, the report was dated September
21 24, 2010. On September 24, 2010, Ash was billed for the pest and dry rot inspection, and
22 shows that a fee of \$165.00 was due at close of escrow. Ash's signature appears on the
23 invoice. Boehnen failed to have the parties agree per addendum regarding the pest and dry
24 rot inspection. Per the Professional Inspection Addendum the pest and dry rot inspection was
25 not going to be done.

26 1.10 According to the sales agreement, closing was required no later than August 31,
27 2010. The sale closed on September 27, 2010. Boehnen failed to have both parties sign a
28 written extension.

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1 **Violation:** By neglecting to timely address the following in addenda to the sales
2 agreement: a) an extension to the inspection period and negotiation period, prior to the
3 professional home inspection that occurred on August 26, 2010, b) a pest and dry rot
4 inspection not initially agreed to in the agreement, but which occurred on September 24, 2010,
5 and c) an extension to the closing date of the transaction from August 31, 2010, to September
6 27, 2010, Boehnen failed to exercise reasonable care and diligence to all parties in the
7 transaction in violation of ORS 696.301(3) as it incorporates ORS 696.815(2)(a)(b) (2009
8 Edition), which states a real estate licensee acting pursuant to a disclosed limited agency
9 agreement has the following duties and obligations (a) To the seller, the duties under ORS
10 696.805, (b) To the buyer, the duties under ORS 696.810. Per ORS 696.805(3)(a) and ORS
11 696.810(3)(a), a licensee owes the buyer and seller the following affirmative duties: (a) To
12 exercise reasonable care and diligence. Additionally, Boehnen violated ORS 696.301(3) as it
13 incorporates OAR 863-015-0135(5) (6-15-10 Edition), which states real estate licensees must
14 include all of the terms and conditions of the real estate transaction in the offer to purchase or,
15 directly or by reference, in the counter- offer, including but not limited to whether the
16 transaction will be accomplished by way of deed or land sales contract, and whether and at
17 white time evidence of title will be furnished to the prospective buyer.

18 1.11 The actions noted in the above violation(s) demonstrate incompetence in
19 performing acts for which Boehnen is required to hold a license.

20 **Violation:** ORS 696.301(12) (2009 Edition), which states a licensee's real estate
21 license can be disciplined if they have demonstrated incompetence in performing any act for
22 which the licensee is required to hold a license.

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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 Boehnen's broker license be, and hereby is, reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:

Jerry Boehnen
JERRY PATRICK BOEHNEN

Gene Bentley
GENE BENTLEY
Real Estate Commissioner

Date 1-7-17

Date 1.9.17

Date of service: 1/9/2017

**REAL ESTATE BOARD
REGULATION DIVISION REPORT
April 3, 2016**

Regulation Division Manager: Selina Barnes

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

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

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

Compliance Specialist 2: Carolyn Kalb

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

Administrative Specialist: Janae Beaver

Division Overview

The Regulation Division receives complaints and determines validity and assignment for investigation. Investigators gather facts (from interviews and documents), prepare a detailed written report and submit to the Manager for review. The Manager determines whether the evidence supports charging a person with a violation of Agency statutes or administrative rules, as well the appropriate resolution. The Manager conducts settlement conferences to resolve cases without a contested case hearing. If a hearing is requested, the investigator works with the Assistant Attorney General in preparing for and presenting the case at hearing.

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

Workload and Activity Indicators

Current Cases In Below Status	Average 2015	Average 2016	3/9/17
Mail-in CTA Audits	65	45	67
Renewal Investigation	6	7	4
Background Check Investigation	7	9	11
Complaint	44	33	16
Investigation (& Pending Assignment to Investigator)	55	73	74
Admin Review	33	28	36
Settlement Process	19	38	43
Pending Admin Action	9	13	10
Hearing	12	5	4
Appeal	3	9	9

Deanna Hewitt is making a presentation to Keller Williams' leadership on March 17, 2017, in Portland regarding staying in compliance with advertising rules. Selina Barnes will be attending this meeting also.

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

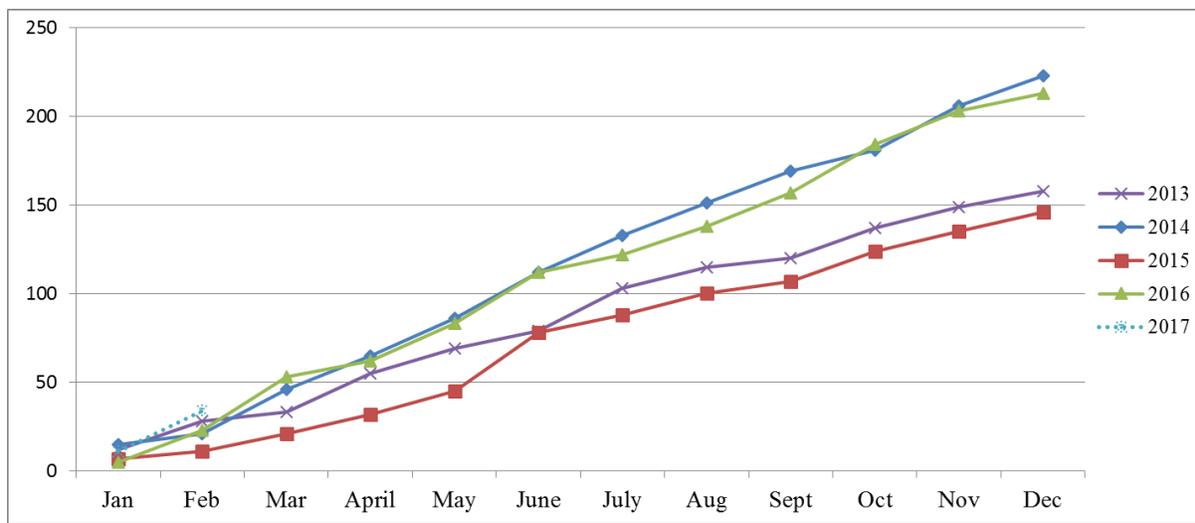
**REAL ESTATE BOARD
LAND DEVELOPMENT DIVISION
3 APRIL 2017**

Division Manager: Michael Hanifin

Section Overview:

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

Workload and Activity Indicators



Filing activity through the end of February is higher than we've seen in at least the last six years. The month of March is on track to maintain that lead. We continue to see quite a few smaller projects in the 2 to 6 unit range as infill continues, focused primarily in the Portland-Metro area. The largest filing currently being processed is a 400-plus unit condo in the Pearl District of Portland. The majority of filings continue to be condominiums, with timeshares being the second largest type of filing by volume.

AGENCY LEGISLATION

SB 67 - Housekeeping Measure

Status: Passed without amendments from Senate to House on February 9th. House first reading on February 13th, referred to Business and Labor on February 15th. No hearing scheduled as of March 23rd.

Summary: SB 67 makes technical fixes to Chapter 696, including updates to language and references and reorganization of some material for readability. The measure also removes the requirement that a principal real estate broker or real estate broker create a client trust account when they act as a courier by taking a check made out to the seller or lessor from a purchaser or lessee for the purpose of conveying same to the seller or lessor. This measure also provides that a licensed real estate property manager may not solicit a potential tenant unless they have a written property management agreement with the lessor.

SB 68 – OREA Fee Increase

Status: Hearing held on February 1st. Without recommendation as to passage, referred to Joint Committee On Ways and Means by prior reference on February 6th. No further hearing currently scheduled (as of March 23rd).

Summary: This bill updates fees paid to the Agency for professional licenses and other associated fees. It is linked to Policy Option Package 101.

HB 5037 - Governor's Recommended Budget

Status: Currently assigned to Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development. Hearing held February 9th. No additional hearing or work session currently scheduled.

Summary: The budget bill provides the biannual spending limitation for the Real Estate Agency. The effective date is July 1, 2017.

ADDITIONAL LEGISLATION

The agency is tracking a variety of measures for potential impact on agency operations or on the regulated community. The measures summarized below potentially impact the agency and/or the regulated community. Longer one page summaries of each of these measures are attached to this report.

SB 933 – Relating to Tenant Deposits

Status: First reading March 2nd. Assigned to Senate Committee on Business and Transportation. No Hearing currently scheduled.

Summary: Creates a new program in the Real Estate Agency intended to mitigate the pecuniary losses suffered by landlords resulting from mismanagement by or dishonest conduct by a real estate property manager in the handling of tenant deposits. In order to recover, the landlord must have lost in an action by tenant under ORS Chapter 90 (related to tenant deposits), and such loss must have resulted from the real estate property manager engaging in mismanagement or dishonesty related to that tenant deposit. The bill establishes the Tenant Deposit Security Fund (“Fund”) for the purpose of paying out on claims by landlords. The bill redirects application and renewal fees paid by real estate property managers under ORS 696.270 into the Fund, and requires the agency to prescribe and collect an annual per-each-dwelling fee from real estate property managers, which will also be placed in the Fund. Upon complaint, the agency would conduct full investigation in order to make a determination of qualification for payment from the fund. Takes effect 91st day after adjournment Sine Die.

HB 3366 – Relating to Security Deposits

Status: First reading on March 6, referred to House Committee on Human Services and Housing on March 13th. No hearings or work sessions currently scheduled.

Summary: Requires landlord to deposit and maintain each residential tenant’s security deposit in an interest-bearing account separate from all other funds and inform tenant of financial institution in which security deposit is held. Requires landlord to pay tenant accrued interest with return of security deposit. Applies to security deposits paid on or after effective date of Act.

HB 3099 – Relating to Real Estate Brokers

Status: First reading March 1st, referred to House Committee on Business and Labor on March 6th. No hearings or work sessions currently scheduled.

Summary: Requires principal real estate brokers to complete an advanced course in brokerage practices to qualify for renewal of a principal real estate broker license. The requirement of a principal real estate broker renewing their license for the first time to complete the advanced brokerage practices course is in section 1 of the measure. The requirement that a principal real estate broker renewing for “at least a second time” complete the advanced brokerage practices course is in section 2 of the measure, and this requirement sunsets on June 30, 2020.



Oregon

Kate Brown, Governor

Real Estate Agency

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www.oregon.gov/rea

Summary of HB 3099

Requires principal real estate brokers to complete an advanced course in brokerage practices to qualify for renewal of a principal real estate broker license. The requirement of a principal real estate broker renewing their license for the first time to complete the advanced brokerage practices course is in section 1 of the measure. The requirement that a principal real estate broker renewing for “at least a second time” complete the advanced brokerage practices course is in section 2 of the measure, and this requirement sunsets on June 30, 2020.

Background

Under current law, a real estate broker or licensed real estate property manager renewing an active license for the first time must complete an advanced practices course. The advanced practices courses are specific to the type of license being renewed, and the agency approves the curriculum for each. There is currently no advanced practices course for a principal real estate broker.

Principal real estate brokers renew their licenses on a bi-annual basis, and may renew up to one year late.

Discussion

The measure appears intended to require all active principal real estate broker licensees to take the advanced brokerage practices course once. As written, the measure will allow some principal brokers renewing for “a second or later time” under section 2 to renew without taking the advanced brokerage practices course. The issue is timing. The course requirement is effective on July 1st, 2018, but the requirement under section 2 for a principal broker renewing “for at least the second time” to take the course sunsets on June 30, 2020. The effective date and sunset date collectively create a precise two year window, which matches the normal renewal cycle for principal brokers, but does not account for late renewals or reactivation of an inactive license after the sunset date of section 2 of the bill.

Late Renewal: Since a principal broker may renew up to one year late, any principal broker with a license expiration date between July 1, 2019 and June 30, 2020 could potentially renew after the sunset of the course requirement. Approximately 3,400 principal brokers have renewal dates within that period. Over the past five years, approximately 1000 principal brokers have renewed late. Of those, 470 renewed within a month of late renewal, and 716 had renewed within 6 months. Based on this data, an estimated 100 principal brokers would renew late and avoid this requirement.

License Reactivation after Law Sunset: There is an opportunity for principal brokers to inactivate their license during, or maintain an inactive license through, the entire period between July 1, 2018 and June 30, 2020 and then reactivate the license on July 1, 2020 or later. Any principal broker who *had not* renewed at least once would still be subject to the course requirement upon return to active status. Any principal broker who *had* renewed at least once prior to going inactive (and remaining inactive throughout the effective period of section 2) could return to an active status without being subjected to the course requirement.



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Summary of HB 3366

Requires landlord to deposit and maintain each residential tenant's security deposit in an interest-bearing account separate from all other funds and inform tenant of financial institution in which security deposit is held. Requires landlord to pay tenant accrued interest with return of security deposit. Applies to security deposits paid on or after effective date of Act.

Background

Real estate property managers are currently required under ORS 696.241 to place funds received in the course of engaging in professional real estate activities (including receipt of security deposits and rent) in a FDIC insured client trust account ("CTA") and report the particulars regarding the account to the Real Estate Agency within 10 days. By agency rule, security deposits must be in a separate CTA from rents, but may be pooled into one large security deposit CTA. CTA reporting provides the agency a basis for regular random auditing of these accounts. The real estate property manager must also provide a specific notice to the bank when funds are deposited to create the CTA. The form of notice is dictated in ORS 696.245, and includes execution by the real estate property manager and the bank receiving the notice. Copies of each notice must be retained by the real estate property manager for six years.

Discussion

Existing law requires tenant security deposits be placed in a CTA and notice be provided to the bank and this agency. This measure requires each tenant's funds to be deposited into a separate account, which will result in creation of a separate CTA for each tenant's security deposit. When combined, these requirements will result in creation of tens of thousands of CTA notices (each requiring execution by the property manager and the bank) as well as notice to this agency.

Under current law, banks may waive monthly service charges in exchange for avoiding paying interest on the CTA fund accounts. This measure requires deposit in an interest-bearing account, which may cause banks to assess service charges against each separate CTA account. Particularly where each tenant's separate security deposit CTA will necessarily have a lower standing balance than pooled CTA accounts did.

Not every real estate property manager holds security deposits. The owner of rental property is free to arrange to hold the security deposits themselves. In this situation, the real estate property manager can provide a receipt for funds received, but will not be able to provide account information when issuing the initial receipt because they will not have control of where the funds go after passing them to the owner. The owner falls within the definition of "landlord" for purposes of ORS Chapter 90, but it is unclear when, how, or if, the real estate property manager is relieved of the obligation for providing the banking account information to the tenant when security deposits are transferred to the owner.



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Summary of SB 933

Creates a new program in the Real Estate Agency intended to mitigate the pecuniary losses suffered by landlords resulting from mismanagement by or dishonest conduct by a real estate property manager in the handling of tenant deposits. In order to recover, the landlord must have lost in an action by tenant under ORS Chapter 90 (related to tenant deposits), and such loss must have resulted from the real estate property manager engaging in mismanagement or dishonesty related to that tenant deposit. The bill establishes the Tenant Deposit Security Fund (“Fund”) for the purpose of paying out on claims by landlords. The bill redirects application and renewal fees paid by real estate property managers under ORS 696.270 into the Fund, and requires the agency to prescribe and collect an annual per-each-dwelling fee from real estate property managers, which will also be placed in the Fund. Upon complaint, the agency would conduct full investigation in order to make a determination of qualification for payment from the fund. Takes effect 91st day after adjournment Sine Die.

Discussion

Budget Impact:

Sections 6(1)(b) of this measure diverts payments by “real estate property managers under ORS 696.270” into the Fund. “Real estate property manager” is defined in chapter 696.010(19) to include brokers, principal brokers, and licensed real estate property managers. The application fees and bi-annual renewal fees from this group compose the overwhelming majority of the entire agency budget.

Other issues affecting ability to implement proposed measure:

- a) “Pecuniary loss” is not defined and may include all fines and penalties resulting from a successful action by tenant under Chapter 90, including plaintiff/tenant attorney fees.
- b) “Mismanagement” is not defined.
- c) Investigation to verify misconduct or dishonesty for purposes of payment requires a finding that will require contested case procedures against the accused real estate property manager prior to any payment from the Fund.
- d) The bill is silent on the time frame for making a claim: does this measure create a retro-active right to make a claim? Impacts fully funding the program.
- e) Payment from the fund is discretionary, but no basis or goal on use of discretion provided.
- f) The goal of the program is to relieve and mitigate loss, but no discussion of degree of relief or mitigation the program should achieve is provided. Elsewhere in the measure it speaks of reimbursement, which can be read as full compensation. Clarity needed. Cents on the dollar, more, or full? Critical information in developing estimates of cost.
- g) There is a mismatch between which licensees pay into the Fund and which licensees can cause a pay out under the Fund. As designated in section 7, the annual fee to be paid into the Fund on a per-dwelling basis is only paid by an “individual holding a real estate property manager’s license”. However, both principal brokers and brokers can be real estate property managers, and therefore claims against their mismanagement or dishonest behavior regarding tenant deposits would also be actionable under the measure.
- h) A “per-dwelling” fee requires self-reporting and is not subject to independent verification. We can verify the reported dwellings, but have no way to ascertain exactly how many dwellings a real estate property manager is actually managing.

**REAL ESTATE BOARD
ADMINISTRATIVE SERVICES DIVISION REPORT
April 3, 2017**

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

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

Section Overview

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

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. Customer service is a priority for the Agency. Between January 1st and March 22nd the Agency has taken an average of 96 calls per day with an average wait time of 28 seconds. However call volume is highly correlated to month beginning and end in support of renewals where average volume is approximately 130 calls per day.

Agency staff are converting the annual pre-license education course renewal from a paper application to an online process. Educators will be notified on May 1st with details of the new process.

The Agency is working with the vendor to make system upgrades to eLicense. This includes a more user-friendly password resetting process, online complaints, applicant next steps on payment return page and online anytime payment for civil penalties and land development billing. In addition the Agency is developing online support tools to assist users with Agency processes.

Budget Update

Revenue: Projected revenue for the 15-17 biennium is **\$6.42 million**, with projected expenses of **\$6.8 million**.

Budget Preparation 2017-19

Since the 2009-11 biennium operating costs have exceeded revenue. While the real estate market has experienced a recovery, licensure has not returned to pre-recession rates and is projected to remain flat over the next budget period. Though significant savings measures have been taken, at the current service level, we expect a **\$1.3 million deficient** in the 2017-19 biennium. To overcome the revenue shortfall, the Agency will seek the first licensing related fee increase since the 1997-99 budget in this legislative session.

Licensing Statistics

Total Licensee Counts by Month:

Individuals (Persons)	Jan-17	Feb-17
Broker – Total	14,152	14,278
Active	12,505	12,608
Inactive	1,647	1,670
Principal Broker - Total	6,375	6,385
Active	5,992	6,003
Inactive	383	382
ALL BROKERS Total	20,527	20,663
Active	18,497	18,611
Inactive	2,030	2,052
Property Manager - Total	877	881
Active	807	809
Inactive	70	72
MCC Salesperson	33	33
MCC Broker	2	2
TOTAL INDIVIDUALS	21,439	21,579
Active	19,339	19,455
Inactive	2,100	2,124
Facilities (Companies)		
REMO	6	6
Registered Business Name (RBN)	3,359	3,366
Registered Branch Office (RBO)	723	722
Escrow Organization	47	47
Escrow Branch	145	146
PBLN	648	642
PMLN	154	149
CEP	271	288
MCC Operator	25	25
TOTAL FACILITIES	5,378	5,391
TOTAL INDIVIDUALS & FACILITIES	26,817	26,970

New Licenses by Month:

Individuals (Persons)	Jan-17	Feb-17
Broker	187	186
Principal Broker	13	7
TOTAL BROKERS	200	193
Property Manager	2	11
MCC Salesperson	0	0
MCC Broker	0	0
TOTAL INDIVIDUALS	202	204
Facilities (Companies)		
Continuing Education Provider (CEP)	13	11
REMO	0	0
Registered Business Name	29	29
Registered Branch Office	6	5
PBLN	8	7
PMLN	1	0
Escrow Organization	0	0
Escrow Branch	0	1
MCC Operator	0	0
TOTAL FACILITIES	44	42
TOTAL INDIVIDUALS & FACILITIES	246	246

Exam Statistics

February 2017 Total
ALL LICENSING EXAMS 518

Broker	430
Property Manager	23
Principal Broker	56
Reactivation	9

Pass Rates

<u>First Time Pass Rate</u> <u>Percentage</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Broker State	65	72	69	64	62
Broker National	77	78	78	74	75
Principal Broker State	46	61	62	59	54
Principal Broker National	86	86	78	79	71
Property Manager	55	61	59	64	65