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

I. BOARD BUSINESS – Chair Hermanski
   A. Call to Order
   B. Roll Call/Chair Hermanski comments
   C. Approval of the Agenda and Order of Business
   D. Approval of 2.1.16, regular meeting minutes
   E. Date of the Next Meeting: 6.6.16 at The Central Oregon Association of REALTORS®, 2112 NE 4th Street, Bend, OR 97701

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

III. REQUEST FOR WAIVERS. Waiver Log.
    A. Dahe Good requests experience waiver for principal broker license
    B. Lisa Neef requests experience waiver for principal broker license.
    C. Tim Rist requests experience waiver for principal broker license.

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER – Approval of petition log.
    A. Brian Greer will appear in person.
    B. John Estrem will appear by phone.

V. BOARD ADVICE/ACTION – Commissioner Bentley. Make recommendations to the Agency for filing on proposed rule.

VI. NEW BUSINESS – Commissioner Bentley. None.

VII. COMMUNICATIONS – Administrative Actions Summary

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

IX. ANNOUNCEMENTS – Next board meeting 6.6.16 at The Central Oregon Association of REALTORS®, 2112 NE 4th Street, Bend, OR 97701.

X. ADJOURNMENT

Interpreter services or auxiliary aids for persons with disabilities are available upon advance request.
State of Oregon Real Estate Agency

REAL ESTATE BOARD

Regular Meeting Minutes
Monday, February 1, 2016

MEMBERS PRESENT: Chris Hermanski, Chair
Joann Hansen
Alex MacLean
Pat Ihnat
Lawnae Hunter
Dave Koch
Marcia Edward

MEMBERS ABSENT: Coni Rathbone, Vice-Chair, excused
Jef Farley, excused

OREA STAFF: Gene Bentley, Commissioner
Dean Owens, Deputy Commissioner
Selina Barnes, Regulations Division Manager
Mesheal Heyman, Communications Coordinator
Leandra Hagedorn, Board Liaison

GUESTS PRESENT: John Wallace, Oregon Association of REALTORS®
Stacey Harrison, A-1 Superior Schools
Tim Rist, Keller Williams

I. BOARD BUSINESS- Chair Hermanski

A. Call to Order. Chair Hermanski called the meeting to order at 10:01 am.
B. Roll Call/Chair Hermanski comments. Chair Hendricks asked the board members to introduce themselves and roll call. All members were present with the exception of Coni Rathbone and Jef Farley, who were both excused.
C. Approval of the Agenda and Order of Business.

MOTION TO APPROVE THE AGENDA AND ORDR OF BUSINESS AS SUBMITTED BY MARCIA EDWARDS
SECOND BY PAT IHNAT
MOTION CARRIED BY UNANIMOUS VOTE

D. Approval of 12.7.15 regular meeting minutes.

MOTION TO APPROVE THE 12.7.15 REGULAR MEETING MINUTES AS SUBMITTED BY MARICA EDWARDS
SECOND BY PAT IHNAT
MOTION CARRIED BY UNANIMOUS VOTE
III. REQUEST FOR WAIVERS. Waiver Log

A. Tim Rist requests experience waiver for principal broker. 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. 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.

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

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

V. BOARD ADVICE/ACTION – Commissioner Bentley

A. 2017 Legislative Concepts. Commissioner Bentley reported that the Legislative Concepts Work Group met on 1.20.16 to review draft language and a draft version was sent to the board via email and return feedback to Commissioner Bentley prior to the 4.4.16 board meeting.

B. Licensing fee increase discussion. Commissioner Bentley summarized the revisions to this section in the statute.
VI. NEW BUSINESS – Commissioner Bentley
   A. 2016 Governor’s Food Drive. Commissioner Bentley announced the Food Drive would run from January 31 – February 29, 2016 and donations should go through the board liaison.

VII. COMMUNICATIONS – Administrative Actions Summary. Chair Hermanski stated that this administrative actions summary are a useful training tool.

VIII. REPORTS
   A. Commissioner Gene Bentley
      - Aviation Department has provided information regarding registration of drones
      - Legislature has convened as of this morning and the Agency is currently tracking approximately 30 bills
      - Summary of license counts
   B. Agency division reports – Deputy Commissioner Owens.
      1. Regulation Division – Selina Barnes. Ms. Barnes announced that Peter Bale will be receiving the Investigator of the Year award at the ARELLO Investigator Workshop in April. She also reported that she would be speaking at the next Oregon Land Title Association in the near future.
      2. Land Development – written report by Michael Hanifin. Deputy Commissioner Owens reported that Condo reviews continue as usual and he also explained that Mr. Hanifin is the Agency’s legislative coordinator and very involved in the legislative process.
      3. Education, Business and Licensing Services Division – Dean Owens. Deputy Commissioner Owens summarized the statistics in the handout provided in the board packet and he also provided a budget update.

IX. ANNOUNCEMENTS. The Next Meeting: 4.4.16 in Florence, OR, venue to be determined.

X. ADJOURNMENT

Respectfully submitted:

GENE BENTLEY, COMMISSIONER

CHRIS HERMANSKI, BOARD CHAIR
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<th>DATE</th>
<th>NAME</th>
<th>TYPE OF LICENSE</th>
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<tr>
<td>12.7.15</td>
<td>Tim Rist</td>
<td>PB</td>
<td>DENIED</td>
<td><strong>FACTS:</strong> Mr. Rist appeared and explained the his request was based on his qualifications of experience and current high review for his customer service. He also explained that although he is very accomplished in the area of sales, he realizes the importance of developing a team with a broad area of expertise. <strong>DISCUSSION:</strong> Dave Koch responded that dispute resolution is key and felt that Mr. Rist should gain more experience in this area. Alex MacLean responded that he appreciated Mr. Rists enthusiasm and encouraged him to gain more knowledge and expertise. Chair Hermanski also encouraged Mr. Rist to take more time to gain seasoned experience. <strong>MOTION:</strong> MOTION TO DENY THE REQUEST FOR WAIVER SUBMITTED BY TIM RIST BY DAVE KOCH SECOND BY CONI RATHBONE MOTION CARRIED BY UNANIMOUS VOTE</td>
</tr>
<tr>
<td>2.1.16</td>
<td>Tim Rist</td>
<td>PB</td>
<td>DENIED</td>
<td><strong>FACTS:</strong> 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. <strong>DISCUSSION:</strong> 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. <strong>MOTION:</strong> MOTION TO DENY THE REQUEST FOR WAIVER SUBMITTED BY TIM RIST BY DAVE KOCH SECOND BY LAWNAE HUNTER MOTION CARRIED BY UNANIMOUS VOTE</td>
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<td>4.4.16</td>
<td>Tim Rist</td>
<td>PB</td>
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<td>Lisa Neef</td>
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<tr>
<td>4.4.16</td>
<td>Dahe Good</td>
<td>PB</td>
<td></td>
<td><strong>FACTS:</strong> DISCUSSION: MOTION:</td>
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AGENDA ITEM NO. III. A.

Oregon Real Estate Board
Experience Requirement Waiver Request

Date: 03/14/16
Name: Dahe Laura Good
Address: 21000 NE Cove Orchard Rd., Yamhill, OR 97148
Daytime Phone Number: 971-219-1344
Oregon License Number: 201209298

GENERAL INFORMATION AND DOCUMENTATION
1. I am seeking an experience requirement waiver to become a real estate PRINCIPAL BROKER. (ORS 696.022 and OAR 863-014-0040)

2. I am currently licensed as a real estate broker in Oregon: Yes ___ X ___ No ___
   If yes, please state the dates for which you held and Oregon real estate license: 3/28/14 to present
   Was your Oregon license obtained through a reciprocal agreement with another state? Yes ___ No ___ X ___

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

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<td>From: To</td>
</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>

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

<table>
<thead>
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<th>Required Documents to be Attached to the Request</th>
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<tbody>
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<td>Date Completed</td>
</tr>
<tr>
<td>Yes</td>
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</tbody>
</table>

- Completed the “Broker Administration and Sales Supervision” course for principal real estate brokers. **Must be completed PRIOR to waiver request.**
- Submitted the Real Estate License Application for Principal Broker license and $230 fee. **Must be completed PRIOR to waiver request.**
- Successfully passed the Oregon Principal Broker exam. **Must be completed PRIOR to waiver request.**
- Graduated from a four-year college or university with a degree in real estate curriculum approved by the Commissioner. (863-014-0040(2)) **x**
- Graduated with a two-year community college associates degree in real estate curriculum approved by the Commissioner. (863-014-0040(3)) **x**
- 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** 1977 to present
- 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** 2014 to present

*Scheduled to take the Oregon Principal Broker Exam 3/16/16.*

08.26.15
REQUIRED DOCUMENTS
Listed below are the required documents (#1-3) to be included in the OREA Board request for an experience waiver.
1. Your letter requesting a waiver of the three year active licensed experience. This letter should:
   o State the reason for the request, including the compelling reason why you cannot to complete the three years of active licensed experience.
   o Indicate the real estate experience you have that would be an acceptable substitute for the three years of required experience.
2. Required documentation listed above in the General Information and Documentation section #4.
3. Other experience relating to real estate not covered in questions 2 through 4 that would demonstrate your relevant related experience.

HELPFUL DOCUMENTS
The following information is helpful, but not required, for the Board to thoroughly evaluate your request:
   o Letters of reference pertaining to your real estate experience
   o Letters of reference from current or past supervising principal brokers
   o The number and type of real estate transactions you have executed.
   o Supervisory experience
   o Familiarity and experience in other related industries: escrow, title, mortgage, etc.

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

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

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

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

Signature of Waiver Applicant

Date

2015 BOARD MEETING DATES, LOCATIONS AND WAIVER PACKET DUE DATES

<table>
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08.26.15
Dahe L. Good
P. O. Box 730
Yamhill, OR 97148

Anna Higley
Oregon Real Estate Agency
530 Center St. NE, Suite 100
Salem, OR 97301

Re: Experience Requirement Waiver Request

Dear Board of Directors;

I am requesting a waiver for the 3 years of experience required to achieve a Principal Broker’s License. With this application I expect to illustrate that I have achieved more than enough experience, skill and success in the field of real estate to earn this waiver. And I appreciate the opportunity to make this request before the Board.

My request is compelling to me, as I want to make the most of my career right now. The title Principal Broker is a symbol to clients and peers, of a high level of experience; a title that inspires confidence. I am challenged by and seek out complicated transactions. Clients expect to work with an experienced Broker and the title Principal Broker denotes this experience.

Career History

I have accumulated almost four decades of experience in the real estate industry. My career started in 1977, in Anchorage Alaska, where I became a licensed Real Estate Sales Associate (the title Broker was not yet used for new Agents.) I worked for Area, Inc Realtors and Cook Inlet Realty in Anchorage from 1977 to 1980. I sold houses, listed an apartment building for sale and a warehouse for lease, marketed new condominium units for a builder, and was moderately successful. This experience was formative for me. I transformed from a shy, inexperienced young person with the help of training in classic selling techniques, cold calling, door knocking and ‘closing the sale’ strategies that I still use today. These three years would be sufficient for the Principal Broker experience requirements; however there is no record that I could find to substantiate this. The companies are long gone, and the state keeps records of inactive licenses only going back 10 years (see correspondence with the Alaska Real Estate Commission, attached.) But I was only getting started in my career.

I believed I wasn’t very good at selling, but I was drawn to the field of real estate. In 1980, I went to work at Alaska Valuation Service as a commercial appraiser. From 1980 to 1986, while I worked on the coursework to achieve professional designation, I traveled the state, analyzing office buildings, hotels, regional retail malls, industrial parks, land development, seafood processing plants, and both market-rate and affordable apartments. AVS is still in business today.

In 1987 I moved to Seattle, and took a position as Senior Analyst with PGP Valuation, Inc., through 1992. I was a Certified Real Estate Appraiser - General Classification - State of Washington (#270-11GO-OD-*D-L457DM.) Developing my focus on apartment valuation, I was recruited in 1992 as a Senior Analyst for Cain and Scott, Inc., Seattle, a real estate research and brokerage firm specializing in the Western Washington region, providing portfolio analysis and market research (publishers of the Apartment Vacancy Report, et al, now published by Dupre+Scott, Inc.) I have analyzed distressed properties,
difficult sites including contaminated properties and brownfields. This work gave me invaluable experience in a multitude of environments, from large urban regions to remote rural communities. As an appraiser I have provided expert witness testimony in both District and State Supreme courts in Washington and Alaska. And in 1994, I achieved the MAI designation from the Appraisal Institute (No. 10279), the most advanced professional designation of the appraisal industry.

After 14 years in the appraisal business, I realized that I really wanted to be a developer. In 1994, I switched careers and began four years as Senior Development Manager for Capitol Hill Housing Improvement Program, a non-profit developer in Seattle. As a developer of low income housing and mixed-use projects, my responsibilities included acquisition, public design review and project design; negotiating and closing financing from a variety of sources; as well as management of the development team and the budget from design through construction. In my four years at CHHIP, I managed seven projects totaling $39.3 million, developed 312 units of housing and 37,000 square feet of commercial space. After this great experience came some time spent in the public sector, influencing housing and development policies.

From 1999 to 2002, I served as Manager of Housing Development and Programs at the City of Seattle, Office of Housing. I was responsible for new program development and resource development. I led regulatory reform incentives to entice the public and private sectors to create more housing, both market rate and affordable, including modifications to the tax exemption and transferable development rights programs, and initiated new zoning code reforms to reduce parking requirements. I served as development liaison for three Seattle Housing Authority HOPE 6 redevelopment projects (HUD-funded conversions of war-era derelict housing projects into vibrant, mixed-use and mixed-income neighborhoods.). I served as an intergovernmental representative on housing issues at the Washington State Legislature and worked on the planning and communications team for the $86 million, 7-year 2002 Housing Levy renewal. I managed a staff of five program coordinators and research analysts.

Next came a move to Portland. From 2002 to 2003, I served as Underwriter/Finance Coordinator for the Portland Development Commission. While at the PDC, I managed the funding and closing of various projects including the $26 million Station Place Tower, a 4% LIHTC, tax exempt bond financed mixed-use high-rise in Portland’s River District; and the $18 million “8 NW 8th”, 180 units of housing for persons in recovery, with a medical clinic in Downtown Portland. After this I was recruited for the position of Vice President of Acquisitions at Homestead Capital, a syndicator of tax credit properties with an eight state region in the Western United States. From 2003 to 2004 I was responsible for originating and underwriting equity investments and predevelopment loans, obtaining board approval and negotiating closing documents for a number of urban and rural projects in Oregon and Washington.

I brought my varied and extensive experience to together to form my own consulting business, GoodJames Consulting (GJC), in spring 2004. As an independent consultant, I have successfully run my own business assisting developers in site development, obtaining grant and conventional financing, and managing projects from inception to completion. My consulting work and previous experience brought me together with teams of professionals in lending, title, brokerage, appraising, law and government. This work has been rewarding. It was only logical that I become licensed to assist my clients in the acquisition and closing of residential and commercial properties. Along the way, I learned I am very good at selling, very good at matching client’s needs and wants with a wide variety of real estate opportunities. I currently work on the McCreith Team at Bella Casa Real Estate Group, with offices in McMinnville and Newberg. I participate in team meetings, trainings, and floor coverage. I balance serving team leads as well as creating new business through cultivating personal leads and referrals. I maintain a website, www.goodjames.com, which highlights both my real estate experience, as well as my consulting work.
Education

Degree: Bachelor of Business Administration, University of Alaska, Anchorage in 1989 (Marketing Major).

Professional Designation: MAI Appraisal Institute, 1994

Graduated: Irondequoit High School, Rochester, New York (National Honor Society)

Community Involvement

Organizations/Charities: Vice President, McMinnville Area Habitat for Humanity (2014-preent)

Chair, Board of Directors, Community Capital Development Inc. (2004-2013)

Treasurer, Friends of Yamhill County, an affiliate of 1000 Friends of Oregon (2003-2007)

Real Estate Transactions

Since becoming a licensed Real Estate Broker in March, 2014, I have successfully closed 28 transactions totaling $13,464,880. (In transactions where I have represented both buyer and seller, I have counted these twice.) I have another six transactions pending, totaling $1,098,000, and two active listings (as a co-list) valued at $1,194,999. These transactions include residential, multi-family, short sales, rural acreage, commercial properties, and commercial leases. Combined, this activity represents $15,757,879. (See detailed Transaction List, included.)

Principal Broker Courses/Exam

License Application for Principal Broker – 8/28/15
Broker Administration and Sales Supervision – 3/12/16
Oregon Principal Broke Exam – Scheduled for 3/16/16

Additional attachments

1. Original Course certificate
2. Confirmation Letter from Agency
3. Score report received from testing vendor (to be supplied)
4. Detailed transaction list
5. Correspondence from the Alaska Real Estate Commission
6. References
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## Transcript for Good, Dahe

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<tr>
<td>Leases and Property Management</td>
<td>✔</td>
<td>3/7/2016</td>
<td>1053 min</td>
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<tr>
<td>Oregon Residential Landlord and Tenant Act</td>
<td>✔</td>
<td>3/7/2016</td>
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<tr>
<td>Oregon Property Manager License Requirements</td>
<td>✔</td>
<td>3/7/2016</td>
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<tr>
<td>Oregon Property Manager Trust Accounts</td>
<td>✔</td>
<td>3/7/2016</td>
<td>33 min</td>
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<td>✔</td>
<td>3/7/2016</td>
<td>29 min</td>
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<td>The Real Estate Agency and Violations</td>
<td>✔</td>
<td>3/8/2016</td>
<td>229 min</td>
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<tr>
<td>Company Ownership</td>
<td>✔</td>
<td>3/11/2016</td>
<td>73 min</td>
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<td>✔</td>
<td>3/11/2016</td>
<td>38 min</td>
<td>100</td>
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<tr>
<td>Trust Accounts</td>
<td>✔</td>
<td>3/11/2016</td>
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<td>Financial Records</td>
<td>✔</td>
<td>3/11/2016</td>
<td>33 min</td>
<td>100</td>
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<td>Nonfinancial Records</td>
<td>✔</td>
<td>3/11/2016</td>
<td>66 min</td>
<td>100</td>
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<tr>
<td>Financial Reports</td>
<td>✔</td>
<td>3/11/2016</td>
<td>114 min</td>
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<tr>
<td>Required Supervision</td>
<td>✔</td>
<td>3/11/2016</td>
<td>62 min</td>
<td>100</td>
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<tr>
<td>Training</td>
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<td><strong>Oregon Brokerage Administration and Sales Supervision - Part II</strong></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Property Ownership</td>
<td>✔</td>
<td>8/27/2015</td>
<td>391 min</td>
<td>100</td>
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<td>Estates</td>
<td>✔</td>
<td>8/30/2015</td>
<td>344 min</td>
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<td>Tenancies</td>
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<tr>
<td>Deeds and Conveyances</td>
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<td>8/31/2015</td>
<td>2413 min</td>
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<td>Oregon Property Law</td>
<td>✔</td>
<td>9/2/2015</td>
<td>686 min</td>
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<tr>
<td>Property Descriptions</td>
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<td>Encumbrances</td>
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<td>Oregon Liens</td>
<td>✔</td>
<td>9/7/2015</td>
<td>1425 min</td>
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<td>Land Use Restrictions</td>
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<td>9/7/2015</td>
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<td>Fair Housing Laws</td>
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<td>9/9/2015</td>
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<td>Oregon Statutory Agency Law</td>
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<td>Listings</td>
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<td>100</td>
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<td>Contracts</td>
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<td>Purchase and Sale Agreements, Options and Short Sales</td>
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<td>2/21/2016</td>
<td>67 min</td>
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<td>Duration</td>
<td>Grade</td>
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<td>----------</td>
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</tr>
<tr>
<td>Financing</td>
<td>2/21/16</td>
<td>170 min</td>
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<td>Finance Laws</td>
<td>2/28/16</td>
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<td>100</td>
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<tr>
<td>Oregon Finance</td>
<td>3/2/16</td>
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<td>100</td>
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<tr>
<td>Real Estate Appraisal and Investments</td>
<td>3/5/16</td>
<td>1314 min</td>
<td>100</td>
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<tr>
<td>Title Insurance and Closing</td>
<td>3/5/16</td>
<td>98 min</td>
<td>100</td>
<td></td>
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<tr>
<td>Subdivision, Condominium Sales and Auctions</td>
<td>3/6/16</td>
<td>71 min</td>
<td>100</td>
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<td>Mathematics</td>
<td>3/6/16</td>
<td>213 min</td>
<td>100</td>
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<td>Final Exam 302OR033</td>
<td>3/6/16</td>
<td>1069 min</td>
<td>88</td>
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</tr>
</tbody>
</table>
Tamera,

I am pleased to add a professional recommendation for Dahe Good who is seeking a waiver for attaining her principal broker’s license immediately.

Dahe has much experience in fields related to real estate and much of her work has been done with non-profits. She has an accomplished background as her resume will show.

I have worked with Dahe for two years this month. I not only supervise her real estate practice as the principal broker for Bella Casa Real Estate Group, but I have a sales team, The McCreith Team, and Dahe has been part of my team for all of this time. I have worked closely with her and co-listed numerous properties with her where Dahe did the lion’s share of the work and negotiations.

Dahe is truly entrepreneurial as I am. I have stated publically numerous times that she is smart broker and she is a voracious student of our industry. She is as accomplished on sophisticated properties and she is competent on normal neighborhood properties. She is currently assisting on a vineyard property helping a seller divide the parcels so they can make more money and sell the vineyard portion quicker. Dahe did the same for a neighborhood property in Dayton with mfg homes on them and got them sold when they could not sell together. She co listed with me on a timber property, a farm property, a luxury rural property, a vineyard potential property, an historic home, multiplexes and neighborhood homes across the county; Dahe recently sold a multi-million ($7 million?) apartment complex.

I think the experience of Dahe will exceed most of the agents who apply for this status. I think her character is consistent with the role of a principal broker. Dahe works independently and autonomously and I have never had to challenge her work or call her to account for issues of integrity or competency.

I will be glad to discuss Dahe with you and answer any specific questions, if you request this.

Best regards,

Randy
Hello Dahe,

Thank you for following up with this information. We have reported your education completion successfully and you are eligible to schedule your licensing exam. PSI will send you an email with instructions once the upload is complete and they are able to schedule your appointment.

Thank you for your time.

Valerie Munkres
Customer Service Representative, Real Estate

OnCourse Learning

Direct Dial: 404.476.3425
Office: 800.452.4879

9400 SW Barnes Road Ste 400
Portland, OR 97225

Real Estate

From: Dahe Good [mailto:Dahe@GoodJames.com]
Sent: Monday, March 14, 2016 3:09 PM
To: Valerie Munkres <vmunkres@oncourselearning.com>
Subject: Re: Action Needed to Report Oregon Real Estate Brokerage Administration and Sales Supervision Course

Date of birth: x/xx/xx
License # 201209298

Sent by Dahe Good's iPhone

On Mar 14, 2016, at 11:02 AM, Valerie Munkres <vmunkres@oncourselearning.com> wrote:

Hello Dahe,

Thank you for choosing ProSchools as your provider for the Oregon Real Estate Brokerage Administration and Sales Supervision course. Congratulations on your
recent completion of this coursework. In order to successfully report your completion of the hours, we will need your Oregon Real Estate License Number and Date of Birth. Please respond as soon as possible with this information for timely reporting of your coursework.

Thank you for your time.

Valerie Munkres  
Customer Service Representative, Real Estate

Direct Dial: 404.476.3425  
Office: 800.452.4879

9400 SW Barnes Road Ste 400  
Portland, OR 97225

Real Estate
Ms. Good:
Unfortunately the AK REC does not keep records of lapsed or expired licensees for longer than 10 years. Now if you were recently active we would have them.
Sincerely,

Sharon J. Walsh
Executive Administrator
Alaska Real Estate Commission
sharon.walsh@alaska.gov
907.269.8197

Hi Sharon,
I was a real estate associate in the late 70s in Anchorage. Are there any records dating that far back? I’d like to obtain my principal broker’s license in Oregon and this would help to know,
THanks!

Dahe Good
971-219-1344
dahe@goodjames.com
www.goodjames.com

licensed in Oregon
Bella Casa Real Estate Group
the mccreith team

Newberg (Springbrook & Hwy 99)
1002 N Springbrook Rd, Suite C
Newberg OR 97132

McMinnville (19th & Hwy 99)
207 NE 19th Street, Suite 100
McMinnville OR 97128

Buy. Sell. Be Happy.
This email has been checked for viruses by Avast antivirus software.
www.avast.com
Oregon Real Estate Agency
Real Estate Broker
Score Report

Dahe Good
PO Box 730
Yamhill, Oregon 97148

Candidate ID: XXX-XX-9298
Exam: OR Principal Broker Exam - OR Principal Broker - National
Exam Date: 03/16/2016

PASSING SCORE: 60.0 (75%) YOUR SCORE: 74.0 GRADE: PASS

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

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

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of Questions</th>
<th>Number Correct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracts</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Land Use Controls and Regulations</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Property Ownership</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Transfer of Title</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>General Principles of Agency</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Real Estate Calculations</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Valuation and Market Analysis</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Financing</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Mandated Disclosures</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Practice of Real Estate</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Specialty areas</td>
<td>3</td>
<td>2</td>
</tr>
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</table>

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

This score report is provided as a record of your scores. Do not send it to the Real Estate Agency.
Congratulations! You have passed the OR Principal Broker - State Examination.

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

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of Questions</th>
<th>Number Correct</th>
</tr>
</thead>
<tbody>
<tr>
<td>License Law and Disciplinary Measures</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Handling of Client Funds</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Agency Law and Rules</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Regulation of Broker Activities</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Document Handling and Recordkeeping</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Property Management</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Oregon Real Estate Related Statutes</td>
<td>14</td>
<td>14</td>
</tr>
</tbody>
</table>

- The Oregon Real Estate Agency will receive your exam scores in 3 business days.

- Log in to your eLicense account at www.rea.state.or.us to check the status of your license application.

- Find additional information on licensing requirements in the "How to Get a License" section of www.rea.state.or.us.

- Once all license requirements are completed, the Agency will issue your new license.

- Passing exam scores and background clearances are good for 1 year. The Agency can only issue a license while the scores and background clearance are valid.

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

Date: 3/18/2016
Name: Lisa Neef
Address: 750 Marylhurst Dr. West Linn, OR 97068
Daytime Phone Number: 503-929-4616  Oregon License Number: 201208721

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: 12/2013 to ____________
   Was your Oregon license obtained through a reciprocal agreement with another state? Yes ☐ No ☑

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

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

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

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Yes</th>
<th>No</th>
<th>Date Completed</th>
<th>Required Documents to be Attached to the Request</th>
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</thead>
<tbody>
<tr>
<td>Completed the &quot;Broker Administration and Sales Supervision&quot; course for principal real estate brokers.</td>
<td>☑️</td>
<td></td>
<td></td>
<td>Original course certificate.</td>
</tr>
<tr>
<td><strong>Must be completed PRIOR to waiver request.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submitted the Real Estate License Application for Principal Broker license and $230 fee.</td>
<td>☑️</td>
<td></td>
<td></td>
<td>Copy of confirmation letter received from Agency</td>
</tr>
<tr>
<td><strong>Must be completed PRIOR to waiver request.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Successfully passed the Oregon Principal Broker exam.</td>
<td>☑️</td>
<td></td>
<td>3/17/2016</td>
<td>Score report received from testing vendor.</td>
</tr>
<tr>
<td><strong>Must be completed PRIOR to waiver request.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduated from a four-year college or university with a degree in real estate curriculum approved by the Commissioner. (863-014-0040(2))</td>
<td>☑️</td>
<td></td>
<td></td>
<td>Official transcript.</td>
</tr>
<tr>
<td>Graduated with a two-year community college associates degree in real estate curriculum approved by the Commissioner. (863-014-0040(3))</td>
<td>☑️</td>
<td></td>
<td></td>
<td>Official transcript.</td>
</tr>
<tr>
<td>Substantial experience in real estate that would qualify for an equivalent to the Commissioner's three year experience requirements. Include any real estate designations achieved while licensed as a broker. (OAR 863-014-0042(c))</td>
<td>☑️</td>
<td></td>
<td></td>
<td>Written explanation of the additional real estate experience that you have that would assist in the Board’s consideration of your waiver request.</td>
</tr>
<tr>
<td>The number and type of real estate transactions (listings and transactions that were closed) you have completed while holding a real estate license in Oregon or in another state.</td>
<td>☑️</td>
<td></td>
<td></td>
<td>Provide a document showing the number and types of transactions you have completed while licensed.</td>
</tr>
</tbody>
</table>

08.26.15
REQUIRED DOCUMENTS
Listed below are the required documents (#1-3) to be included in the OREA Board request for an experience waiver.

1. Your letter requesting a waiver of the three year active licensed experience. This letter should:
   - State the reason for the request, including the compelling reason why you cannot to complete the three years of active licensed experience.
   - Indicate the real estate experience you have that would be an acceptable substitute for the three years of required experience.

2. Required documentation listed above in the General Information and Documentation section #4.
3. Other experience relating to real estate not covered in questions 2 through 4 that would demonstrate your relevant related experience.

HELPFUL DOCUMENTS
The following information is helpful, but not required, for the Board to thoroughly evaluate your request:
- Letters of reference pertaining to your real estate experience
- Letters of reference from current or past supervising principal brokers
- The number and type of real estate transactions you have executed.
- Supervisory experience
- Familiarity and experience in other related industries: escrow, title, mortgage, etc.

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

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

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

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

[Signature]
Lori Neef

Date 03-18-2016

2015 BOARD MEETING DATES, LOCATIONS AND WAIVER PACKET DUE DATES

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

08.26.15
To whom it may concern,

In Nov 2006 I went to work for Lawyer’s title as a Receptionist and within 3 months was promoted to Escrow Assistant. My experience at Lawyer’s was my first job in Real Estate but would ignite a passion that has lasted well over 10 years. Through many rounds of layoffs at Lawyer’s they kept me on board, stating that they saw a bright future for me in Escrow. When my first Son was born in Sept 2008, I went on Maternity leave and when I came back LandAmerica was purchased by Fidelity and at that point I was laid off.

In Sept 2010 I was ready to begin working again, but wanted to learn more about the Real Estate side, so I went to work for a Principle Broker/Owner of Premiere Property Group, LLC in Lake Oswego as their assistant and was soon made the Office Manager/Transaction Coordinator. My tasks included but were not limited to the following. Licensing transfers for RE agents newly hired, general Admin work and mostly Transaction Coordination.

In Oct 2012 I gave birth to my second Son, I decided to leave PPG and work for 1 broker from home and shortly after that started studying to get my Real Estate Broker License. In December 2013 I passed my test and begin working again as a contract Real Estate Assistant/TC for Premiere Property Group Agents. My license is currently hung at The Broker Network, LLC. Since this time, I have been “Involved” in managing the paper work for more than 700 Real Estate Transactions for my Realtor Partners. I work very closely with Real Estate agents to ensure that they represent and protect their clients as completely as possible. I have also closed a handful of my own transactions.

My goal is now to obtain my Principle Brokers License so that I can increase the level of my service and help More Real Estate Agents achieve their goals. I LOVE this industry, it’s all I talk about, every one of my Friends are Realtors and my husband is a Mortgage Loan Officer of more than 11 years.

I am very excited for the next chapter in my life and the help I can bring to Portland Realtors who need someone to care about their business and clients as much as they do.

My intention for obtaining this license is not to open a Brokerage for other Real Estate Agents, but to expand my business into a full service Transaction Coordination Company.

Your early consideration for a Principle Brokers License is appreciated.

Thank you,

Lisa Neef

Lisa Neef

03-18-2016
PASSING SCORE: 60.0 (75%)

YOUR SCORE: 61.0

GRADE: PASS

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

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

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<td>9</td>
</tr>
<tr>
<td>Land Use Controls and Regulations</td>
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<td>Property Ownership</td>
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<td>4</td>
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<td>Transfer of Title</td>
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<td>3</td>
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<tr>
<td>General Principles of Agency</td>
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<td>8</td>
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<td>Real Estate Calculations</td>
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<td>Valuation and Market Analysis</td>
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<td>Financing</td>
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<td>Mandated Disclosures</td>
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<td>Practice of Real Estate</td>
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<td>11</td>
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<tr>
<td>Specialty areas</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

The Oregon Real Estate Agency will receive your exam scores in 3 business days.

Log in to your license account at www.realstate.or.us to check the status of your license application.

Find additional information on licensing requirements in the "How to Get a License" section of www.realstate.or.us.

Once all license requirements are completed, the Agency will issue your new license.

Passing exam scores and background clearances are good for 1 year. The Agency can only issue a license while the scores and background clearance are valid.
Congratulations! You have passed the OR Principal Broker - State Examination.

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

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of Questions</th>
<th>Number Correct</th>
</tr>
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<tbody>
<tr>
<td>License Law and Disciplinary Measures</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Handling of Client Funds</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Agency Law and Rules</td>
<td>2</td>
<td>3</td>
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<tr>
<td>Regulation of Broker Activities</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Documentation and Recordkeeping</td>
<td>2</td>
<td>4</td>
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<tr>
<td>Property Management</td>
<td>8</td>
<td>5</td>
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<tr>
<td>Oregon Real Estate Related Statutes</td>
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The Oregon Real Estate Agency will receive your exam scores in 3 business days.

Log into your ELicense account at www.oregonstate.or.us to check the status of your license application.

Find additional information on licensing requirements in the "How to Get a License" section of www.oregonstate.or.us.

Once all license requirements are completed, the Agency will issue your new license.

Passing exam scores and background clearances are good for 1 year. The Agency can only issue a license while the scores and background clearance are valid.
March 14, 2016

To whom it may concern,

As one of the owners of The Broker Network Realty, I am writing this letter of recommendation for Lisa Neef. I have known Lisa since 2010 and can tell you that she is one of the most driven people I know. Ever since I met her, she's had a passion for real estate and a work ethic that is unmatched.

Lisa has gained extensive knowledge of real estate from working in title/escrow, as a transaction coordinator for a large real estate brokerage, and as an administrative assistant to dozens of agents in the Portland Metro area.

In November 2014, I had the privilege of hiring her to our brokerage and it has been nothing short of one of the best decisions I have made. She has been outstanding to work with and has helped a number of our agents increase their production due to her ability to coordinate multiple transactions from start to finish.

I am confident in her abilities and I know that her personal standard of excellence makes her a great candidate for becoming a Principal Broker and I hope you will consider.

Sincerely,

Anthony Castro, CRS
Principal Broker
The Broker Network, LLC
Oregon Real Estate Board
Experience Requirement Waiver Request

Date: 1/13/16
Name: Timothy Rist
Address: 1121 NW 9th Street, Corvallis OR 97330
Daytime Phone Number: 541-250-1065 Oregon License Number: 201209259

GENERAL INFORMATION AND DOCUMENTATION
1. I am seeking an experience requirement waiver to become a real estate PRINCIPAL BROKER. (ORS 696.022 and OAR 863-014-0040)

2. I am currently licensed as a real estate broker in Oregon: Yes ✔; No __
   If yes, please state the dates for which you held and Oregon real estate license: 2/13/14 to current
   Was your Oregon license obtained through a reciprocal agreement with another state? Yes __ No ✔

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

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

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

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Yes</th>
<th>No</th>
<th>Date Completed</th>
<th>Required Documents to be Attached to the Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed the “Broker Administration and Sales Supervision” course for principal real estate brokers.</td>
<td>✔</td>
<td></td>
<td>11/4/15</td>
<td>Original course certificate</td>
</tr>
<tr>
<td>Must be completed PRIOR to waiver request.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submitted the Real Estate License Application for Principal Broker license and $230 fee.</td>
<td>✔</td>
<td></td>
<td>10/24/15</td>
<td>Copy of confirmation letter received from Agency</td>
</tr>
<tr>
<td>Must be completed PRIOR to waiver request.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Successfully passed the Oregon Principal Broker exam.</td>
<td>✔</td>
<td></td>
<td>11/9/15</td>
<td>Score report received from testing vendor</td>
</tr>
<tr>
<td>Must be completed PRIOR to waiver request.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduated from a four-year college or university with a degree in real estate curriculum approved by the Commissioner. (863-014-0040(2)) But I do have a Bachelor of Science in Communications from OSU</td>
<td>✔</td>
<td></td>
<td></td>
<td>Official transcript</td>
</tr>
<tr>
<td>Graduated with a two-year community college associates degree in real estate curriculum approved by the Commissioner. (863-014-0040(3)) But I do have an A.A.O.T from LBCC</td>
<td>✔</td>
<td></td>
<td></td>
<td>Official transcript</td>
</tr>
<tr>
<td>Substantial experience in real estate that would qualify for an equivalent to the Commissioner’s three year experience requirements. Include any real estate designations achieved while licensed as a broker. (OAR 863-014-0042(c))</td>
<td>✔</td>
<td></td>
<td></td>
<td>Written explanation of the additional real estate experience that you have that would assist in the Board’s consideration of your waiver request.</td>
</tr>
<tr>
<td>The number and type of real estate transactions (listings and transactions that were closed) you have completed while holding a real estate license in Oregon or in another state.</td>
<td>✔</td>
<td></td>
<td></td>
<td>Provide a document showing the number and types of transactions you have completed while licensed.</td>
</tr>
</tbody>
</table>

08.26.15
REQUIRED DOCUMENTS
Listed below are the required documents (#1-3) to be included in the OREA Board request for an experience waiver.
1. Your letter requesting a waiver of the three year active licensed experience. This letter should:
   ○ State the reason for the request, including the compelling reason why you cannot to complete the three years of active licensed experience.
   ○ Indicate the real estate experience you have that would be an acceptable substitute for the three years of required experience.
2. Required documentation listed above in the General Information and Documentation section #4.
3. Other experience relating to real estate not covered in questions 2 through 4 that would demonstrate your relevant related experience.

HELPFUL DOCUMENTS
The following information is helpful, but not required, for the Board to thoroughly evaluate your request:
   ○ Letters of reference pertaining to your real estate experience
   ○ Letters of reference from current or past supervising principal brokers
   ○ The number and type of real estate transactions you have executed.
   ○ Supervisory experience
   ○ Familiarity and experience in other related industries: escrow, title, mortgage, etc.

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

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

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

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

[Signature]

Date: 1/13/16

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2015 BOARD MEETING DATES, LOCATIONS AND WAIVER PACKET DUE DATES

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

08.26.15
EXPERIENCE REQUIREMENT WAIVER REQUEST: COVER LETTER

To whom it may concern,

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

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

1. Experience in dispute resolution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Respectfully,

Tim Rist

[Signature]
Our Commitment to You

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

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

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

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

We believe votes are sacred and should not be political.

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

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

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

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

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

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

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

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

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

Important Instructions to Obtain Your License

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

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

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

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

The Staff at ProSchools
Certificate of Real Estate Prelicense Education
This certifies that

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

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

Signature of School Official:

The certificate serial number uniquely identifies this certificate of completion and its bearer. To confirm the validity of this certificate, call 1-800-452-4670.

Cert Serial Number: 57473 - 302OR032
Oregon Real Estate Principal Broker Application Received Confirmation
1 message

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

Sat, Oct 24, 2015 at 3:01 PM

Dear Timothy John Rist,

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

- Your applicant ID number is #201209259. Please keep this number for future use when contacting the Agency.
- Check your application status by logging into your eLicense account at https://orea.license.irondata.com/. Your license requirements will display under the Application Status tab.
- The Agency's records show that you must complete the following education from approved course providers to be eligible to take the principal broker license exam (only courses completed on or after January 1, 2013 qualify):
  - The 40-hour Brokerage Administration and Sales Supervision course.
- For more information on license requirements, please visit Principal Broker License Requirements.

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

Oregon Real Estate Agency  
530 Center St. NE Ste. 100  
Salem, OR 97301  
(503) 378-4170  
www.rea.state.or.us  
orea.info@state.or.us
Oregon Real Estate Agency
Real Estate Broker
Score Report

Tim Rist
1121 NW 9th St
Corvallis, Oregon 97330

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

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

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

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

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The Oregon Real Estate Agency will receive your exam scores in 3 business days.

Log in to your eLicense account at www.rea.state.or.us to check the status of your license application.

Find additional information on licensing requirements in the "How to Get a License" section of www.rea.state.or.us.

Once all license requirements are completed, the Agency will issue your new license.

Passing exam scores and background clearances are good for 1 year. The Agency can only issue a license while the scores and background clearance are valid.

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

Real Estate Broker

Score Report

Tim Rist
1121 NW 9th St
Corvallis, Oregon 97330

Candidate ID: XXX-XX-9259

Exam: OR Principal Broker Exam - OR Principal Broker - State
Exam Date: 11/09/2015

PASSING SCORE: 38.0 (75%) YOUR SCORE: 43.0 GRADE: PASS

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

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

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Sue Long  
Principal Broker/Owner  
Keller Williams Realty  
1121 NW 9th St.  
Corvallis, OR 97330  
Licensed Broker in the State of OR  
541-740-7722

To Whom It May Concern

Tim Rist has been with Keller Williams Realty and working for my firm for over 2 years. Tim is the most talented and gifted realtor I have experienced in my 31 years as a broker and Principal Broker. He came to us at the age of 21 and had already been running a successful painting company in a franchise since he was 17. He has far more experience in life and business than most people I have met, yet he is only 23. He came from a broken family of 8 kids and has had little encouragement nor guidance from his parents. What he has accomplished has been on his own and with his own sense of morals, purpose and guidance from his strong spiritual beliefs. I am in awe of him at every encounter.

There are many examples of his supreme business acumen. He started in real estate at age 21 and unlike many agents, followed every aspect of our training. Within 2 years he has done more than 80 closed transactions. There have been only a handful of Oregon agents who have accomplished such a feat, I would guess. Probably not one at his age. He has been guided by our firm’s reviewing broker along the way so that we have had minimal challenges with his deals. If there were training moments, where he could have said or done something in a way that would have been more effective, he took this to heart and apologized to individuals involved to receive forgiveness. In many cases people that might have been offended have now become fast friends due to his sincere efforts to do the right thing. Recently he even went to every Designated Principal Broker of the prominent firms in our area and spoke to each to discern whether they considered his behavior to be of the highest ethical standards and if not, how he could change to better himself and relationships with each of them. This is the kind of thing you rarely see in most business people even during their entire careers. Tim wants to be sure he is always doing what is right.

The concept of being in charge of a group of other agents at such a young age is a challenge, I understand, in considering him for the Principal Broker role. However Tim has
lots of successful experience leading since he was 17 and in a service business related to the real estate industry. At his painting firm, he managed several crews as his business grew, and taught other college students to do the same. He could not accomplish the work he generated by himself and make his customers happy. He learned to attract great talent and train them to deliver the same high quality of service that he had built his reputation upon and continuously inspected what they were doing and making the customer feel that they were getting more than their moneys' worth. His branch of the painting business did reportedly produce over $1,300,000 under his leadership. This involved over 400 different homes across the State of Oregon. The other thing that amazes me about his former business leadership is how creative he is in accomplishing what needs to be done and turn it into a successful business. For example, he designed an entire business with his painting crews (that had slower business in the winter due to weather conditions) and started a sideline business putting up Christmas lights and exterior decorating of homes for the holidays, they also did the takedown after the holidays, of these decorations and left his customers worry-free and very thankful that they could have such a service. Even since he has been a Realtor with us, he has boiled down the agency rules, our KW rules and his own high standards into a blueprint for training and delivering high quality service to his and his business partners’ customers for whom our reviewing broker oversees.

It is a rare person that has these high standards and care for the customers that I have experienced in him. I would not recommend him except for his exceptional track record of experience and accomplishments in such a brief time as a Realtor. He is truly extraordinary. In our firm we have an advisory council of the top agents. Normally people are not invited to be on the council nor considered for several years, but Tim Rist is part of our Associate Leadership Council (ALC) and serves with conscientious clarity of purpose and exhibits great leadership along the way.

I think you would have a hard time arguing that he has not had enough experience, given the number of transactions he has closed in such a short time and the extreme previous successful business competence he has demonstrated. I know this is not the usual type of exception that you consider, but Tim is not in any way usual. Please honor this exception and going forward have the flexibility to help our profession excel when we get lucky with gaining extreme talent such as is seen with Tim Rist.

Sue Long
Principal Broker/Owner
Experience Requirement Waiver Request

To whom it may concern,

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

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

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

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

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

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

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

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

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

Respectfully,

Tim Rist

Please note additional cover letter with related experiences.
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<tr>
<th>Listings Taken Units</th>
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<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
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**Lease Closed Units**

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**Lease Closed Volume**

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<th>YOY %</th>
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**Refer Units**

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**Refer Volume**

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<th>May</th>
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<td>0</td>
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**Contracts Written Units**

<table>
<thead>
<tr>
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<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
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<th>Nov</th>
<th>Dec</th>
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<td>2014</td>
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**Contracts Written Volume**

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<tr>
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<th>Feb</th>
<th>Mar</th>
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<th>Nov</th>
<th>Dec</th>
<th>Total</th>
<th>MOM %</th>
<th>YOY %</th>
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<tbody>
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<td>2014</td>
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### Contracts Closed Volume

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<th>May</th>
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<th>Jul</th>
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<th>Sep</th>
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<th>Nov</th>
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<th>Total</th>
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<td>2014</td>
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<td>7.00</td>
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<td>8.00</td>
<td>5.00</td>
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<td>61.00</td>
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### GCI

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<td>36,504</td>
<td>45,094</td>
<td>390,485</td>
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### Company Dollar

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<th>Aug</th>
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<th>Nov</th>
<th>Dec</th>
<th>Total</th>
<th>MOM % Change Dec</th>
<th>YOY % Change Dec</th>
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<td>2014</td>
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<td>0</td>
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<td>0</td>
<td>20,000</td>
<td>-100.0%</td>
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### Royalty

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<th>Dec</th>
<th>Total</th>
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<th>YOY % Change Dec</th>
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### Agent 1099 Income

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<th>Dec</th>
<th>Total</th>
<th>MOM % Change Dec</th>
<th>YOY % Change Dec</th>
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<td>28,752</td>
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<td>45,094</td>
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<td>311.7%</td>
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### My Tracker - Contacts

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<th>Dec</th>
<th>Total</th>
<th>MOM % Change Dec</th>
<th>YOY % Change Dec</th>
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</table>
November 09, 2015

To whom it may concern:

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

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

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

Sincerely,

Sue Long,
Broker/Owner
541-740-7722
suelong@kw.com

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lionel Wilson
Team Leader/CEO
Keller Williams Realty Mid-Willamette
c 541.829-1267
e Lionel@kw.com
<table>
<thead>
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<th>AGENDA ITEM NO. IV.</th>
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OREGON REAL ESTATE BOARD  
CEP LOG

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<thead>
<tr>
<th>4.4.16</th>
<th>Brian Greer</th>
<th>FACTS:</th>
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<th>John Estrem</th>
<th>FACTS:</th>
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<td>DISCUSSION:</td>
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<td>MOTION:</td>
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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 via mail or fax to the Agency at least 21 days before the next scheduled Board meeting at which the applicant wishes the Board to act. OAR 863-020-0025

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. 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 ___________________________ Phone Number ___________________________

Physical Address ___________________________ Address Cont. ___________________________

City ___________________________ State ______ Zip Code ______ County ______

E-mail ___________________________

Mailing Address (if different) ___________________________ Address Cont. ___________________________

City ___________________________ State ______ Zip Code ______ County ______

APPROVED CONTACT PERSON

Prefix ______ First Name ___________________________ Last Name ___________________________

Phone Number ___________________________ E-mail ___________________________

Provide the name of the individual that will appear in person on behalf of the Petitioner: ___________________________

AGENCY USE ONLY

Approved by Board ______ YES ______ NO

Review Date ___________________________

Page 1 of 2

Continue on page 2
PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER, Continued

QUALIFICATION INFORMATION

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

Information MUST include one or both of the following:

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

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

---

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.

[Signature]

Printed Name of Authorized Individual

Date

[Signature]

Signature of Authorized Individual

Page 2 of 2

RECEIVED: NO. 4635 02/29/2016/MON 09:50AM State of Oregon BEA
INTRODUCTION

ServiceMaster of Salem (ServiceMaster) is pleased to submit a petition to qualify as a Continuing Education Provider. ServiceMaster feels that it has a wealth of knowledge and experience that could be useful for Real Estate Agencies and Property Managers.

HISTORY

ServiceMaster of Salem has been in business in the state of Oregon since 1980 specializing in Disaster Restoration and Cleaning. In that time, ServiceMaster of Salem has become an established industry leader in hoarding and estate clean-up, water damage, mold remediation, smoke and odor removal, trauma and biohazard services, and pathogen control. ServiceMaster of Salem currently services Marion, Polk, Linn, Benton and Lincoln Counties.

CERTIFICATIONS

ServiceMaster of Salem is an IICRC (Institute of Inspection, Cleaning, and Restoration Certification) Certified Firm. The IICRC is a certification and Standards Developing Organization (SDO) non-profit organization for the inspection, cleaning and restoration industries. Other certifications include ServiceMaster approved Qualified Restoration Vendor, ServiceMaster Commercial Response Center, ServiceMaster Continuing Education Provider and a member of IAQA (Indoor Air Quality Association). On an individual level, the owner and lead instructor Brian Greer, has a Master of the Arts of Teaching.

EDUCATION

ServiceMaster of Salem has been offering and teaching Continuing Education courses to Insurance Agents since 2003. In that time ServiceMaster has taught over 250 individual classes. The courses offered includes three hour and one hour courses. The courses offered include:

- Water Damage Mitigation
- Mold Remediation
- Hoarding & Estate Clean-ups
- Odor Removal
- Restorative Structural Drying
- Ethics
- Trauma & Biohazard
- Smoke & Odor Removal
- Personal Contents Mitigation
CONCLUSION

ServiceMaster of Salem views Continuing Education as a vital part of the housing industry. Through education, Real Estate Agents and Property Managers can gain a better understanding of the issues and dilemmas that may occur in residential and commercial properties. With this gained understanding, educated decisions can be made to reduce the severity of the damage and help control the liability for their firm and their clients.
AGENDA ITEM NO.
IV. B.

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 via mail or fax to the Agency at least 21 days before the next scheduled Board meeting at which the applicant wishes the Board to act. OAR 863-020-0025

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. 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  John Estrem  Phone Number  503-318-5046

Physical Address  22566 SW Washington Street  Address Cont. Suite 206

City  Sherwood  State OR  Zip Code 97140  County Washington

E-mail  JohnE@BlkMountain.com

Mailing Address (if different)  Address Cont.

City  State  Zip Code  County

AUTHORIZED CONTACT PERSON

Prefix  Mr.  First Name  John  Last Name  Estrem

Phone Number  503-318-5046  E-mail  JohnE@BlkMountain.com

Provide the name of the individual that will appear in person on behalf of the Petitioner:  John Estrem

AGENCY USE ONLY

Approved by Board  YES  NO

Review Date

Page 1 of 2
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.

The focus of my training will be on the environmental due diligence process relating to the purchasing and selling of real estate with a focus on commercial and industrial properties. Specifically, the training will pertain to risk management and environmental protection issues as they relate to the environmental due diligence process.

Summary: I have 38 years of experience buying, selling, and managing commercial real property as well as 25 years of experience as an environmental consultant conducting environmental assessments, sampling investigations, risk assessments and remediation of contaminated properties. I have also been providing formal training for the past 16 years on regulatory compliance including environmental due diligence.

I have a Bachelor's degree in geology from Pomona College and a Master's degree in Environmental Management from the University of San Francisco. I am an Oregon Registered Geologist (license #G1389) and Washington Licensed Geologist (license #2097). As such, I meet the qualifications required by ORS 696.186. I can also attest that I meet the qualifications listed under OAR 863-020-0060(2)(d).

The first 8 years of my consulting experience were focused on the assessment and remediation of contaminated properties, primarily commercial and industrial properties. This work included the decommissioning of underground storage tanks containing petroleum fuel products, chemicals and waste oil products, asbestos and lead paint abatement projects, mold studies and demolition projects. (Continued)

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.

John Estrem
Printed Name of Authorized Individual

[Signature]
Signature of Authorized Individual

Date March 7, 2016

Page 2 of 2
PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER

JOHN ESTREM - QUALIFICATION INFORMATION, Continued

Over the past 17 years my professional work has focused on the environmental assessment of properties, primarily multi-family, commercial and industrial, for the banking and telecommunications industries. I've worked directly on and/or provided technical review on several thousand Phase I and/or Phase II Environmental Site Assessments over my career encompassing many property types, including commercial office, retail, agricultural, as well as light and heavy industrial. I've conducted numerous risk assessment studies of contaminated properties (brownfields). I have worked directly for numerous banking companies, including US Bank, Wells Fargo, Bank of the Cascades, Columbia Bank, Umpqua Bank and others. As such, I have worked closely with many commercial loan officers, very few of which have much experience in this area. As such, I have consulted with many loan officers about environmental liability issues and provided recommendations on how to help their deals move forward while protecting their companies from liability.

For almost two years I was contracted by US Bank's Chief Environmental Compliance Officer to provide third party review on Phase I reports provided by their clients in lieu of new Phase I assessments covering project sites across the western US.

My work for the telecommunications industry consists of assessing properties proposed for construction of a new cell tower or the installation of antennas on an existing structure such as a building, water tank or utility pole. The cell tower companies, such as Verizon, employ numerous turnkey companies staffed by real estate professionals to identify target properties for new tower and antenna installations. In approximately 2001 I began providing training to these turnkey companies to help them better select viable sites by avoiding high risk sites, such as sites with potential soil and/or groundwater contamination, as well as buildings and other structures with asbestos-containing materials and lead-based paint. Training topics included both the financial liability associated with leasing contaminated properties as well as the legal liability of protecting tenants and contractors from exposure to hazardous materials as required by OSHA. This training worked so well that I've been repeatedly asked to offer the training for
new hires and as a refresher for existing employees. Training sessions included groups as small as 3 to 5 persons to as many as fifty persons. I've conducted as many as forty such training sessions for the telecommunications industry since 2001.

I grew up in a real estate family as both my father and grandfather were real estate brokers in San Francisco. I was given a commercially-zoned vacant lot as my college graduation present because my father thought it would be an educational process as well as a financial asset. I have owned and managed real estate continuously since that time. Since moving to Oregon in 1991 my business partner and I have purchased and sold numerous commercial properties in the Portland metro area including multi-family, commercial retail and office buildings. I have decommissioned underground storage tanks and conducted asbestos and lead-based abatement projects on my own properties. I have used numerous property management companies for whom I have provided informal training such that they could better serve my needs and interests.

I have found that my personal experience owning and managing commercial real estate has given me a relatively unique perspective as an environmental assessor and consultant, which I believe is why my training has turned out to be so successful and productive.
Chapter 696 — Real Estate and Escrow Activities

2013 EDITION

REAL ESTATE AND ESCROW ACTIVITIES

OCCUPATIONS AND PROFESSIONS

REAL ESTATE LICENSEES

(Generally)

696.007 Statement of legislative purpose

696.010 Definitions

696.015 Legislative finding; short title

(Licensing)

696.020 License required for individuals engaged in professional real estate activities; exception; rules

696.022 Licensing system for real estate brokers and property managers; rules

696.024 Payments due and owing to Real Estate Agency

696.026 Registration and renewal of business names; expiration of a registered business name; registration of branch offices; rules

696.030 Exemptions

696.040 Single act sufficient to constitute professional real estate activity

696.110 Exclusive nature of regulation of real estate licensees

696.125 Limited license

696.130 Effect of revocation of license; limited license

696.174 License renewal; continuing education courses; rules

696.182 Continuing education; rules

696.184 Duties of continuing education provider; rules
| 696.186 | Qualifications of continuing education instructors; rules |
| 696.200 | Main office; branch offices; change of business location |
| 696.205 | Death or incapacity of sole principal real estate broker or sole licensed real estate property manager; temporary license; rules |
| 696.232 | Return of license by employee of agency. License to be placed on hold upon employment with agency; reissuance upon termination of employment |

(Client Trust Fund Accounts)

| 696.241 | Clients’ trust accounts; notice to agency; branch trust account; interest earnings on trust account; when broker entitled to earnest money; funds not subject to execution; rules |
| 696.243 | Substituting copy for original canceled check allowed; electronic fund transfers |
| 696.245 | Clients’ trust accounts; notice to bank and Real Estate Agency; retention of copy |

(Nonresident and Reciprocal Real Estate Broker and Salesperson Licensing)

| 696.255 | Nonresident license equivalent to appointment of commissioner as agent for service of process; service on commissioner; fee |
| 696.265 | Recognition of nonresident real estate licensee; rules |

(Miscellaneous)

| 696.270 | Fees |
| 696.280 | Records of licensed real estate property managers and real estate brokers; real estate licensees; rules |
| 696.290 | Sharing compensation with or paying finder’s fee to unlicensed person prohibited; exceptions; compensation generally |
| 696.294 | Opinion letter; rules |
| 696.301 | Grounds for discipline |
| 696.310 | Intracompany supervision and control agreements required for principal real estate brokers and licensed real estate property managers; effect of revocation on licensed associates |
696.312  Effect of violation on other licensees within business

696.315  Prohibition against licensee permitting nonlicensed individual to engage in activity with or on behalf of licensee; exception

696.320  Effect of suspension or revocation of principal broker license on associated licensees

696.363  Relationship between licensees as independent contractors or employer and employee

696.365  City or county business license tax

(Administration)

696.375  Real Estate Agency; Real Estate Commissioner; confirmation, salary and security of commissioner

696.385  Power of agency; rulemaking procedures

696.392  Power of commissioner to administer oaths, take depositions and issue subpoenas

696.395  Power of commissioner

696.396  Investigation of complaints and progressive discipline; rules

696.397  Cease and desist order

696.398  Delegation by commissioner to employees; requirements

696.405  Real Estate Board; appointment; term; qualifications; compensation; expenses

696.415  Officers Selection of Real Estate Board chairperson; meetings; quorum

696.425  Powers and duties of board; expenses

696.430  Records of commissioner as evidence; records open to inspection; rules

696.445  Advancement of education and research; Oregon Real Estate News Journal; content as to disciplinary actions

696.490  Real Estate Account; disposition of receipts

696.495  Revolving fund; amount; use; procedure for repayment

ESCROWS AND ESCROW AGENTS

(Generally)
696.505 Definitions for ORS 696.505 to 696.590

696.508 Legislative finding; short title

(Licensing)

696.511 License requirement; licensing system; rules

696.520 Application of ORS 696.505 to 696.590

696.523 Application of ORS 696.505 to 696.590 to title insurance activities

696.525 Bond for escrow agents

696.527 Deposits in lieu of bond; payment of claims; waiver

696.530 Expiration and renewal of license; fees; rules

696.532 Limited license

696.534 Records of escrow agents; rules

696.535 Grounds for refusing, suspending or revoking license or reprimanding licensee

696.541 Authority of commissioner over escrow agents; rules

(Enforcement)

696.545 Investigation; injunction; jurisdiction

696.555 Commissioner to take possession of property and assets of escrow agent when assets or capital impaired; appointment of receiver

696.570 Hearings procedure under ORS 696.505 to 696.590; subpoena

696.575 Civil or criminal actions not limited by ORS 696.505 to 696.590

696.577 Commissioner’s order against unlicensed agent

(Escrow Property)

696.578 Deposit and designation of funds held in escrow; treatment of earnings on escrow account; notice

696.579 Funds exempt from execution or attachment; designation of funds
Written escrow instructions or agreement required; statement; instructions containing blank prohibited; one-sided escrow; exceptions

Escrow agent to hold certain compensation; conditions; notice of real estate compensation demand; disbursement of money; copy of notice to principal

(Civil Penalties)

Civil penalties

Penalty amounts

REAL ESTATE MARKETING

Definitions for ORS 696.392, 696.600 to 696.785 and 696.995

License requirement

Real estate marketing organization license; requirements; deposit required; claims against deposit; rules

Exemptions from ORS 696.392, 696.600 to 696.785 and 696.995

Grounds for disciplinary action

Publication of sanctions imposed for violations

Denial of right to court action for unlicensed real estate marketing organization

Real Estate Marketing Account

Consent by nonresident real estate marketing organization to service of summons or process required

On-site inspection allowed; deposit

ACTIONS AND REMEDIES

Necessity of alleging license in action to collect compensation

Remedies are concurrent

Jurisdiction of courts for violations; revoking license upon conviction; copy of order to commissioner
696.775 Authority of commissioner when license lapsed, expired, revoked, suspended or surrendered

696.785 Commissioner duties when illegal commingling of funds found; receivership procedure

MISCELLANEOUS

696.790 Authority of commissioner to require fingerprints

696.795 Authority of commissioner to conduct investigations and proceedings

AGENTS’ OBLIGATIONS

696.800 Definitions

696.805 Real estate licensee as seller’s agent; obligations

696.810 Real estate licensee as buyer’s agent; obligations

696.815 Representation of both buyer and seller; obligations

696.820 Agency disclosure pamphlet; rules

696.822 Liability of principal for act, error or omission of agent or subagent

696.835 Buyer and seller responsibilities

696.840 Compensation and agency relationships

696.845 Acknowledgment of existing agency relationships form; rules

696.855 Common law application to statutory obligations and remedies

696.870 Duties of real estate licensee under ORS 105.462 to 105.490, 696.301 and 696.870

696.880 Licensee not required to disclose proximity of registered sex offender

DUTIES OF REAL ESTATE PROPERTY MANAGERS

696.890 Duties of real estate property managers

PENALTIES

696.990 Penalties
696.995 Civil penalties for violation of ORS 696.603, 696.606 or 696.612

**696.005** [1963 c.580 §39; repealed by 1965 c.617 §8]

REAL ESTATE LICENSEES

(Generally)

**696.007 Statement of legislative purpose.** (1) The Sixty-second Legislative Assembly recognizes that notwithstanding amendments made to ORS chapter 696 by sections 9, 17, 19, 23, 25, 27 to 30, 32 and 40 to 43, chapter 649, Oregon Laws 1977, section 40, chapter 617, Oregon Laws 1981, and amendments made to ORS chapter 656 by chapter 864, Oregon Laws 1979, section 1, chapter 725, Oregon Laws 1981, and section 4, chapter 854, Oregon Laws 1981, agencies of this state are uncertain regarding application to real estate licensees of statutes of this state relating to employers and employees. This section and ORS 316.209 and 656.037 are enacted to eliminate that uncertainty, to reaffirm the legislative intent of the enactments cited in this section and ORS 316.209 and 656.037 shall be construed to impair or invalidate any claim of refund or defense against collection of any tax, which claim or defense is asserted by a taxpayer who has services performed by an individual who does not meet the requirements of ORS 316.209. [1983 c.597 §1]

Note: 696.007 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 696 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**696.010** We added a “Business Day” definition as a new subsection (4) at the request of the work group. This definition of Business Day was made after surveying other versions in Oregon law and verifying no conflicts with the rules of Civil Procedure or Uniform Trial Court Rules.

What was subsection (7), now renumbered as (9), was changed to reflect that the agency no longer requires the individual to return their physical license (removed reference to physical return of license).

Subsection (15) was changed to remove reference to sole practitioners and mirror the definitional style used in describing “Licensed Real Estate Property Manager”: in (11);

The definition of “Real Estate Broker” was also changed to stylistically match that used for “Licensed Real Estate Property Manager”.

A Definition of “Commingling” was inserted as a new subsection (5), and a definition of “Main Office” was inserted as a new subsection (13). Prior to now, both of these terms were not explicitly defined. These definitions are still effects-based descriptions, but one can now find them without reading the statute where those effects are described. The definition is designed to mirror 696.241 and 696.785, which are the only two statutory references to
“Under a property management agreement” was added to both (14)(a) and (b) to allow commercial brokers to accept checks made out to the building owner in an initial lease without triggering the requirement that they create a CTA in accordance with 696.241(2). Under current law, acceptance of such a check is “handling” of CTA funds. Changing this definition to only apply when a property management agreement is in place removes the requirement for commercial brokers to have a CTA if they are only dealing with an initial lease.

Corrected omission of the word “Licensed” before “Real Estate Property Manager” in subsection (20).

Old subsection (21) was a definition of “Sole Practitioner” and was deleted entirely because we longer have a Sole Practitioner license type. Current subsection (21), definition of “real estate licensee” has had “active limited license” added as part of the changes necessary to create a renewal structure for limited licenses.

696.010 Definitions. As used in ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995, unless the context requires otherwise:

(1) “Associated with” means to be employed, engaged or otherwise supervised by, with respect to the relationship between:
   (a) A real estate broker and a principal real estate broker;
   (b) A licensed real estate property manager and a principal real estate broker; or
   (c) A licensed real estate property manager and another licensed real estate property manager.

(2) “Bank” includes any bank or trust company, savings bank, mutual savings bank, savings and loan association or credit union that maintains a head office or a branch in this state in the capacity of a bank or trust company, savings bank, mutual savings bank, savings and loan association or credit union.

(3)(a) “Branch office” means a business location, other than the main office designated under ORS 696.200 (1), where professional real estate activity is regularly conducted or that is advertised to the public as a place where such business may be regularly conducted.

   (b) Model units or temporary structures used solely for the dissemination of information and distribution of lawfully required public reports shall not be considered branch offices. A model unit means a permanent residential structure located in a subdivision or development used for such dissemination and distribution, so long as the unit is at all times available for sale, lease, lease option or exchange.

(4) “Business day” means any day other than Saturday or Sunday or a federal or State of Oregon legal holiday.

(5) “Commingling” means the mixing of funds from any source, including personal funds, with “trust funds”, as that term is defined in ORS 696.241(1) by a licensed real estate property manager or principal real estate broker. Commingling does not occur when the combination of funds is specifically authorized under this chapter.

(46) “Compensation” means any fee, commission, salary, money or valuable consideration for services rendered or to be rendered as well as the promise thereof and whether contingent or otherwise.
“Competitive market analysis” means a method or process used by a real estate licensee in pursuing a listing agreement or in formulating an offer to acquire real estate in a transaction for the sale, lease, lease-option or exchange of real estate. The objective of competitive market analysis is a recommended listing, selling or purchase price or a lease or rental consideration. A competitive market analysis may be expressed as an opinion of the value of the real estate in a contemplated transaction. Competitive market analysis may include but is not limited to an analysis of market conditions, public records, past transactions and current listings of real estate.

“Expired” means, in the context of a real estate licensee, that the license has not been renewed in a timely manner, but may still be renewed.

“Inactive” means, in the context of a real estate licensee, that: the license has been returned to the agency to be held until:

(a) that the licensee has no present authority or right to engage in professional real estate activity; and
(b) the licensee’s inactive status will continue until the licensee reactivates the license or the license expires or lapses.

“Lapsed” means, in the context of a real estate licensee, that the license has not been renewed in a timely manner and is not eligible for renewal.

“Letter opinion” has the meaning given that term in ORS 696.294.

“Licensed real estate property manager” means an individual who holds an active real estate property manager’s license issued under ORS 696.022.

“Main Office” means that office designated as such by the principal real estate broker or licensed real estate property manager in accordance with ORS 696.200.

“Management of rental real estate” means:

(a) Representing the owner of real estate under a property management agreement in the rental or lease of the real estate and includes but is not limited to:

(A) Advertising the real estate for rent or lease;
(B) Procuring prospective tenants to rent or lease the real estate;
(C) Negotiating with prospective tenants;
(D) Accepting deposits from prospective tenants;
(E) Checking the qualifications and creditworthiness of prospective tenants;
(F) Charging and collecting rent or lease payments;
(G) Representing the owner in inspection or repair of the real estate;
(H) Contracting for repair or remodeling of the real estate;
(I) Holding trust funds or property received in managing the real estate and accounting to the owner for the funds or property;
(J) Advising the owner regarding renting or leasing the real estate;
(K) Providing staff and services to accommodate the tax reporting and other financial or accounting needs of the real estate;
(L) Providing copies of records of acts performed on behalf of the owner of the real estate; and

(M) Offering or attempting to do any of the acts described in this paragraph for the owner of the real estate; or

(b) Representing a tenant or prospective tenant when renting or leasing real estate for which the property manager has a property management agreement with the owner of the property and includes but is not limited to:

(A) Consulting with tenants or prospective tenants about renting or leasing real estate;
(B) Assisting prospective tenants in renting or leasing real estate;
(C) Assisting prospective tenants in qualifying for renting or leasing real estate;
(D) Accepting deposits or other funds from prospective tenants for renting or leasing real estate and holding the funds in trust for the prospective tenants;
(E) Representing tenants or prospective tenants renting or leasing real estate; and
(F) Offering or attempting to do any of the acts described in this paragraph for a tenant or prospective tenant.

(4215) “Nonlicensed individual” means an individual:
(a) Who has not obtained a real estate license; or
(b) Whose real estate license is lapsed, expired, inactive, suspended, surrendered or revoked.

(4316) “Principal real estate broker” means:
(a) An individual who holds an active license as a principal real estate broker issued under ORS 696.022; or
(b) A sole practitioner who conducted professional real estate activity as a sole practitioner prior to January 1, 2010.

(4417) “Professional real estate activity” means any of the following actions, when engaged in for another and for compensation or with the intention or in the expectation or upon the promise of receiving or collecting compensation, by any person who:
(a) Sells, exchanges, purchases, rents or leases real estate;
(b) Offers to sell, exchange, purchase, rent or lease real estate;
(c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or leasing of real estate;
(d) Lists, offers, attempts or agrees to list real estate for sale;
(e) Offers, attempts or agrees to perform or provide a competitive market analysis or letter opinion, to represent a taxpayer under ORS 305.230 or 309.100 or to give an opinion in any administrative or judicial proceeding regarding the value of real estate for taxation, except when the activity is performed by a state certified appraiser or state licensed appraiser;
(f) Auctions, offers, attempts or agrees to auction real estate;
(g) Buys, sells, offers to buy or sell or otherwise deals in options on real estate;
(h) Engages in management of rental real estate;
(i) Purports to be engaged in the business of buying, selling, exchanging, renting or leasing real estate;
(j) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange, leasing or rental of real estate;
(k) Assists or directs in the negotiation or closing of any transaction calculated or intended to result in the sale, exchange, leasing or rental of real estate;
(L) Except as otherwise provided in ORS 696.030 (12), advises, counsels, consults or analyzes in connection with real estate values, sales or dispositions, including dispositions through eminent domain procedures;
(m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real estate by an entity if the purpose of the entity is investment in real estate; or
(n) Performs real estate marketing activity as described in ORS 696.600.

(4518) “Property management agreement” means a written contract for the management of rental real estate between a real estate property manager and the owner of the rental real estate.

(4619) “Real estate” includes leaseholds and licenses to use including, but not limited to, timeshare estates and timeshare licenses as defined in ORS 94.803, as well as any and every
interest or estate in real property, whether corporeal or incorporeal, whether freehold or nonfreehold, whether held separately or in common with others and whether the real property is situated in this state or elsewhere.

(1720) “Real estate broker” means an individual who engages in professional real estate activity and who holds an active license as a real estate broker. Issued under ORS 696.022.

(1821) “Real estate licensee” means an individual who holds an active license or an active limited license as a real estate broker, principal real estate broker or licensed real estate property manager.

(1922) “Real estate property manager” means a real estate licensee who engages in the management of rental real estate and is a licensed real estate property manager, a principal real estate broker or a real estate broker who is associated with and supervised by a principal real estate broker.

(2023) “Registered business name” means a name registered with the Real Estate Agency under which the individual registering the name engages in professional real estate activity.

(a) “Sole practitioner” means a real estate broker conducting professional real estate activity not in conjunction with other real estate brokers or principal real estate brokers and who, prior to January 1, 2010:

(b) Acquired three years of active experience as a real estate broker; or

(c) Acquired three years of active experience as a real estate salesperson as defined in ORS 696.025 (1999 Edition) and successfully completed the real estate broker’s examination required by rule of the agency.

[Amended by 1953 c.166 §5; 1955 c.322 §6; 1965 c.617 §1; 1973 c.416 §1; 1975 c.746 §1; 1977 c.649 §9; 1981 c.617 §2; 1985 c.589 §6; 1987 c.414 §37; 1987 c.468 §1; 1987 c.611 §12; 1989 c.724 §1; 1991 c.5 §26; 1995 c.217 §14; 1997 c.417 §5; 1999 c.488 §1; 2001 c.300 §10; 2003 c.347 §2; 2003 c.398 §6; 2005 c.116 §1; 2007 c.319 §1; 2009 c.224 §8; 2009 c.324 §1; 2011 c.158 §13; 2013 c.145 §1]

696.015 Legislative finding; short title. (1) The Legislative Assembly finds the activity of persons seeking to assist others, for compensation, to deal in real estate in this state to be a matter of public concern. The provisions of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995 are enacted to assist in creating for the public a healthy real estate market atmosphere and to assure that professional real estate activity is conducted with high fiduciary standards.

(2) ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995 may be cited as the Oregon Real Estate License Law. [1977 c.649 §2]

(Licensing)

696.020 License required for individuals engaged in professional real estate activities; exception; rules. (1) The Real Estate Agency may issue a real estate license only to an individual.

(2) An individual may not engage in, carry on, advertise or purport to engage in or carry on professional real estate activity, or act in the capacity of a real estate licensee, within this state unless the individual holds an active license as provided for in this chapter.

(3) Real estate brokers and principal real estate brokers are bound by and subject to the requirements of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and
696.995 while:
   (a) Engaging in professional real estate activity; or
   (b) Acting on the licensee’s own behalf in the sale, exchange, lease option or purchase of real
       estate or in the offer or negotiations for the sale, exchange, lease option or purchase of real
       estate.

(4) A real estate licensee is bound by and subject to the requirements of ORS 696.010 to
696.495, 696.600 to 696.785, 696.890, 696.990 and 696.995 while engaging in the management
of rental real estate.

(5) The agency by rule may establish provisions for a nonlicensed individual whose license is
inactive or suspended and who acts on the licensee’s own behalf in the sale, exchange, lease
option or purchase of real estate or in the offer or negotiations for the sale, exchange, lease
option or purchase of real estate. [Amended by 1969 c.674 §1; 1975 c.746 §1a; 1977 c.649 §10;
1981 c.617 §2a; 2007 c.319 §4; 2013 c.145 §5]

696.022(1)(e) was deleted to reflect that licenses are no longer returned
to the agency. Subsection (6) was clarified by adding language regarding the obligation of out
of state principal brokers and property managers to complete course work and take an exam,
just like a broker.
Language was changed at multiple locations to reflect the fact that some items, such as exam
results, are furnished to the agency by a third party instead of applicant.
Subsection (4) was modified by adding the requirement that a Licensed Real Estate Property
Manager may only perform Management of Rental Real Estate under a property management
agreement.
Deleted reference to 1999 statutes in (3)(c)(B)(i) as no longer relevant.
Limited licenses were added to (1)(c) as part of the changes necessary to create a renewal
structure for limited licenses

Added “licensed” and “in Oregon or another state”, and deleted old statutory reference in
(3)(c)(B)(i) as discussed during the work group.

696.022 Licensing system for real estate brokers and property managers; rules.
(1) The Real Estate Agency shall establish by rule a system for licensing real estate brokers,
principal real estate brokers and licensed real estate property managers. The system shall
establish, at a minimum:
   (a) The form and content of applications for licensing under each category of real estate
       professional licensed by the agency;
   (b) A licensing examination for each category of license;
   (c) Schedules and procedures for issuing and renewing licenses, including limited licenses
       under ORS 696.125; and
   (d) The term of a license in each category; and
   (e) Terms and conditions under which the license of a real estate licensee must be returned or
       transferred to the Real Estate Commissioner for purposes including, but not limited to,
       inactivation, suspension or termination of the license.

(2)(a) A real estate broker may engage in professional real estate activity only if the broker is
associated with and supervised by a principal real estate broker. Except as provided in paragraph
(c) of this subsection, a real estate broker may not employ, engage or supervise the professional
real estate activity of another real estate licensee.
(b) To qualify for a real estate broker’s license, an applicant must furnish to the commissioner must be furnished with at the time of application for the license:
(A) Certification by the applicant that the applicant has a high school diploma or a General Educational Development (GED) certificate or the international equivalent, or other equivalent education acceptable to the commissioner;
(B) Proof that the applicant:
(i) Has successfully completed the basic real estate broker’s educational courses required by rule of the agency; and
(ii) Has passed the real estate broker’s examination required by rule of the agency; and
(C) Certification that the applicant is at least 18 years of age.
(c) A real estate broker who has acquired three years of active experience as a real estate broker may temporarily supervise the professional real estate activity of another real estate licensee due to unforeseen circumstances or the temporary absence of a sole principal real estate broker, as provided by rule of the agency. The temporary supervision of professional real estate activity allowed under this paragraph may not exceed 90 days.

(3)(a) A principal real estate broker may engage in professional real estate activity. 
(b) A principal real estate broker may conduct professional real estate activity in conjunction with other real estate brokers or principal real estate brokers or licensed real estate property managers. In addition, a principal real estate broker may employ, engage or supervise the professional real estate activity of another real estate licensee.
(c) To qualify for a principal real estate broker’s license, an applicant must furnish to the commissioner must be furnished with:
(A) Certification by the applicant that the applicant has a high school diploma or General Educational Development (GED) certificate or the international equivalent, or other equivalent education acceptable to the commissioner;
(B) Proof that the applicant:
(i) Has three years of active licensed experience as a licensed real estate broker or a licensed real estate salesperson in Oregon or another state as defined in ORS 696.025 (1999 Edition);
(ii) Has passed the principal real estate broker’s examination required by rule of the agency; and
(iii) Has successfully completed the brokerage administration and sales supervision course required by rule of the agency; and
(C) Certification that the applicant is at least 18 years of age.

(4)(a) An individual who holds a real estate property manager license may engage only in the management of rental real estate under a property management agreement with the property owner.
(b) A licensed real estate property manager may employ, engage or supervise the professional real estate activity of another licensed real estate property manager.
(c) To qualify for a real estate property manager’s license, an applicant must furnish to the commissioner must be furnished with:
(A) Certification by the applicant that the applicant has a high school diploma or General Educational Development (GED) certificate or the international equivalent, or other equivalent education acceptable to the commissioner;
(B) Proof that the applicant:
(i) Has successfully completed the basic real estate property manager’s educational courses
required by rule of the agency; and
   (ii) Has passed the real estate property manager’s license examination required by rule of the
   agency; and
   (C) Certification that the applicant is at least 18 years of age.

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

   (b) In implementing this subsection, the commissioner shall require fingerprints and criminal
   offender information of an applicant for initial licensing and may require fingerprints and
   criminal offender information of an applicant for license renewal. Fingerprints acquired under
   this subsection may be used for the purpose of requesting a state or nationwide criminal records
   check under ORS 181.534.

   (6) An individual licensed to engage in professional real estate activities in another
   state or country to may qualify for issuance of a principal real estate broker
   license, real estate broker’s license, or real estate property manager license, a real estate
   salesperson licensed in another state or country if:
   (a) The individual must successfully complete the course of study and pass
   a real estate broker’s license examination corresponding to the license applied for, both
   as prescribed by agency rule; and
   (b) The individual meets the other requirements of this chapter.

   (7) In order to satisfy the educational requirements under subsections (2) to (4) and (6) of this
   section, a course must be approved by the commissioner. The commissioner shall determine the
   final examination score acceptable as evidence of successful completion for each required
   course.

   (8) The Real Estate Board may determine that an applicant for a principal real estate broker’s
   license has experience related to professional real estate activity that is equivalent to the
   experience required under subsection (3) of this section. [2001 c.300 §9; 2003 c.398 §7; 2005
   c.116 §2; 2005 c.730 §37; 2007 c.319 §5; 2009 c.324 §2; 2009 c.502 §1; 2011 c.158 §10]

Note: 696.022 to 696.026 were added to and made a part of the Oregon Real Estate License
Law by legislative action but were not added to any smaller series therein. See Preface to Oregon
Revised Statutes for further explanation.

696.024 Payments due and owing to Real Estate Agency. To qualify for a real estate
license under ORS 696.022 or to renew an active or inactive real estate license, the applicant
must make full payment of any unpaid moneys due and owing to the Real Estate Agency,
including any unpaid civil penalties assessed under a final order of the Real Estate
Commissioner. [2001 c.300 §15]

Note: See note under 696.022.

696.025 [1977 c.649 §8a; 1981 c.617 §3; 1987 c.468 §2; 1987 c.611 §13; 1989 c.724 §2;
1991 c.5 §27; repealed by 2001 c.300 §84]
The language of (2)(b)(B) was moved up into (2)(b)(A) to make maintenance of CTA info a responsibility of the identified PB or PM. Subsection (12) was moved to 696.310(1) because it related more closely to the subject of that statute. Subsection (13) was moved to 696.290 because it was more closely related to compensation than RBN regulation. Subsections (2)(E) and (F) were added to assign responsibility for the new annual registration responsibility regarding business names.
“Up to one year” removed from subsection (5), to allow the commissioner to establish the window for reactivation by rule.
What was subsection (6) was deleted because it addressed the option of using a licensees’ name or RBN, which is no longer an option.
Several paragraphs. Subsections (11) is an edited version of what was subsection (10). It was moved “up” sequence to keep discussion of ownership grouped together. Edits to the newly numbered subsection (11) were then made to address use of the word “licensee”. The issue was that a broker may not control the activities of brokers, nor may a property manager, but a property manager may control another property manager (and a property manager is a licensee, so a flat statement that a property manager who owns an interest in the business cannot control another “licensee” is sometimes an incorrect statement). New subsection (12) was created as part of the editing of subsection (11).
Subsection (15) was added at the request of the work group for the agency to write rules related to continuing to work on a transaction following a transfer of a license to a different RBN.

696.026 Registration and renewal of business names; expiration of registered business names; registration of branch offices; rules. (1) The Real Estate Agency shall establish by rule a system for the registration and renewal of business names.
(2)(a) The registration system must require, at a minimum:
(A) Require the physical address associated with a registered business name to be the main office of a principal real estate broker or licensed real estate property manager; and
(B) Require the registered business name to be:
(A) The the corporate name, professional corporate name, business corporate name, cooperative name, limited partnership name, business trust name, reserved name, registered corporate name or assumed business name of active record with the Office of the Secretary of State; or
(B) The name under which the principal real estate broker or licensed real estate property manager license was issued;
(c) The system must allow a principal real estate broker or licensed real estate property manager to register one or more branch offices under the registered business name of the main office; and-
(b) The agency may establish by rule that the registration system must:
(A) Identify Require the name of the principal real estate broker or the licensed real estate property manager who is responsible for:
(A) Maintaining the registration of the business name, as described in subsection (2)(a) of this section;
(B) Registering any branch offices of the registered business name; and
(C) Registering any additional business names as described in subsection (9)(a) of this section;
section.; and

(BD) Maintaining the information described in ORS 696.241 (4) and (6) for each clients’ trust account opened, closed or transferred by a principal real estate broker or by a licensed real estate property manager who conducts professional real estate activity under the registered business name; and

(E) Renewing the registration of the business name;

(F) Changing the business name described in subsection (2)(b) of this section, including the associated branch offices;

(G) Maintaining the business address of the main office and any associated branch offices of the registered business name as required in ORS 696.200; and

(H) Inactivating or reactivating the registration of the business name and associated branch offices.

(3) The renewal system shall establish, at a minimum:

(a) The form and content of the renewal applications;

(b) The schedule for annual renewals of registered business names, including the date of registered business name expiration; and

(c) The procedures for completing a renewal of a registered business name.

(4) Failure to apply for a renewal of a registered business name and pay the required fee on or before the expiration date will result in:

(a) The expiration of the registered business name;

(b) The inactivation of all associated licensees; and

(c) The inactivation of all associated branch offices.

(5) The commissioner, by rule, may provide an opportunity for the late renewal of an expired registered business name.

(36) Only a principal real estate broker or licensed real estate property manager may register a business name or register a branch office under the registered business name of the main office.

(47) Only a principal real estate broker or licensed real estate property manager may control and supervise the professional real estate activity conducted under the registered business name.

(58) A business name registered under this section has no license standing.

(6) A principal real estate broker or licensed real estate property manager may conduct professional real estate activity only under:

(a) The name under which the principal broker or property manager’s license was issued; or

(b) A registered business name.

(79) If a principal real estate broker or licensed real estate property manager has a registered business name:

(a) All professional real estate activity conducted by the principal real estate broker, or licensed real estate property manager, or real estate licensees associated with a principal real estate broker or licensed real estate property manager must be conducted under an active registered business name; and

(b) All professional real estate activity conducted by a real estate licensee associated with the principal broker or property manager must be conducted under the registered business name.

(810) A principal real estate broker or licensed real estate property manager who registers a business name need not be an owner or officer of any entity lawfully entitled to use or have an ownership interest in the registered business name. However, only a principal real estate broker or licensed real estate property manager may control and supervise the professional real estate activity conducted under the registered business name.
A real estate broker or licensed real estate property manager associated with a principal real estate broker may have an ownership interest in any business through which the principal real estate broker conducts professional real estate activity, but may not control or supervise the professional real estate activity of any other real estate licensee.

A licensed real estate property manager associated with a principal real estate broker may have an ownership interest in any business through which the principal real estate broker conducts professional real estate activity but may not control or supervise the professional real estate activity of a real estate broker or principal real estate broker.

A nonlicensed individual may have an ownership interest in any business through which a licensed real estate property manager or principal real estate broker engages in professional real estate activity, but may not control or supervise the professional real estate activity of any real estate licensee.

A principal real estate broker or licensed real estate property manager who registers a business name may register additional business names for business organizations that are affiliated with the business with the registered name, or business organizations that are subsidiaries of the business with the registered name.

A principal real estate broker or licensed real estate property manager may conduct professional real estate activity under two or more registered business names only if the business organizations are affiliated with, or subsidiaries of, the business with the registered name.

The agency shall establish by rule the procedures to allow a real estate broker or principal real estate broker to continue to conduct professional real estate activity on transactions started while associated with one registered business name after the real estate broker or principal real estate broker associates with a different registered business name.

A real estate broker or licensed real estate property manager associated with a principal real estate broker may have an ownership interest in any business through which the principal real estate broker conducts professional real estate activity, but may not control or supervise the professional real estate activity of any other real estate licensee.

A nonlicensed individual may have an ownership interest in any business through which a licensed real estate property manager or principal real estate broker engages in professional real estate activity, but may not control or supervise the professional real estate activity of any real estate licensee.

Two or more principal real estate brokers operating under the same registered business name who do not exercise any administrative or supervisory control over one another are solely responsible for their own professional real estate activity.

Notwithstanding any other provision of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995, a principal real estate broker or real estate broker associated with a principal real estate broker may create a corporation, limited liability company, limited liability partnership or any other lawfully constituted business organization for the purpose of receiving compensation. A real estate broker associated with a principal real estate broker may receive compensation only from a principal real estate broker. A business organization created under this subsection may not be licensed under ORS 696.022 or conduct in its own name professional real estate activity requiring a real estate license. [2001 c.300 §8; 2005 c.116 §3; 2005 c.393 §1; 2007 c.319 §6; 2007 c.337 §3; 2009 c.224 §1; 2011 c.158 §6; 2013 c.145 §9]
Note: See note under 696.022.

696.028 [2001 c.300 §30; repealed by 2009 c.324 §10]

696.030 “Nonlicensed” was added to those subsections below where it had been omitted. Reference to scope of exemptions was changed to remove 696.010 and .015 because these do apply to everyone, even those who are exempt. Language also added to make it clear that if exempt, the person may not make demand for share of real estate licensee’s compensation. Sub (27) was changed to reflect that a member of a member-managed LLC receives this exemption. “Sole member” was removed, as it is not a legally significant category (one or more members of a member-managed LLC have the same authority).

Changed “individual” to “person” in (1)(b)(A) to allow owners to be entities, as was requested by the workgroup on 1/20.

“Development alternative” and “Development Management” were added to subsection (12) as requested by the work group on 1/20.

696.030 Exemptions. ORS 696.410-020 to 696.375, 696.392, 696.395 to 696.430, 696.490, 696.600 to 696.785, 696.990 and 696.995 do not apply to: the following individuals, and these individuals shall not make a demand for, or share in, the compensation of a real estate licensee under 696.290.

(1)(a) A nonlicensed individual who is a full-time employee of an owner of real estate and whose real estate activity:
(A) Involves only the real estate of the employer; and
(B)(i) Is incidental to the employee’s normal, nonreal estate activities; or
(ii) Is the employee’s principal activity, but the employer’s principal activity or business is not the sale, exchange, lease option or acquisition of real estate.
(b) For the purpose of this subsection, “owner of real estate” means:
(A) An individual person who has a sole ownership interest in the real estate; or
(B) More than one individual, each of whom has an ownership interest in the real estate, if the ownership interest is by survivorship, tenancy in common or tenancy by the entirety.

(2) A nonlicensed individual who acts as attorney in fact under a duly executed power of attorney from the owner or purchaser authorizing the supervision of the closing of or supervision of the performance of a contract for the sale, leasing or exchanging of real estate if the power of attorney was executed prior to July 1, 2002, in compliance with the requirements of law at the time of execution or if:
(a) The power of attorney is recorded in the office of the recording officer for the county in which the real estate is located;
(b) The power of attorney specifically describes the real estate; and
(c) The individual does not use the power of attorney as a device to engage in professional real estate activity without obtaining the necessary real estate license.

(3) A nonlicensed individual who acts as attorney in fact under a duly executed power of attorney in which the authorized agent is the spouse of the principal, or the child, grandchild, parent, grandparent, sibling, aunt, uncle, niece or nephew of the principal or of the spouse of the principal, authorizing real estate activity if the power of attorney is recorded in the office of the
recording officer for the county in which the real estate to be sold, leased or exchanged is located.

(4) A nonlicensed individual who is an attorney at law rendering services in the performance of duties as an attorney at law.

(5) A nonlicensed individual who acts in the individual’s official capacity as a receiver, a conservator, a trustee in bankruptcy, a personal representative or a trustee, or a regular salaried employee of the trustee, acting under a trust agreement, deed of trust or will.

(6) A nonlicensed individual who performs an act of professional real estate activity under order of a court.

(7) A nonlicensed individual who is a regular full-time employee of a single corporation, partnership, association, limited liability company or nonlicensed individual owner of real property acting for the corporation, partnership, association, limited liability company or nonlicensed individual owner in the rental or management of the real property, but not in the sale, exchange, lease option or purchase of the real property.

(8) A nonlicensed individual who is a registered professional engineer or architect rendering services in performance of duties as a professional engineer or architect.

(9) A nonlicensed individual who is employed by a principal real estate broker engaged in the management of rental real estate or by a licensed real estate property manager and who acts on behalf of the principal real estate broker or licensed real estate property manager pursuant to a written delegation of the principal real estate broker’s or licensed real estate property manager’s authority, as provided by the agency by rule, if the real estate activity of the nonlicensed individual is limited to:

(a) Negotiating rental or lease agreements;
(b) Checking tenant and credit references;
(c) Physically maintaining the real estate;
(d) Conducting tenant relations;
(e) Collecting the rent;
(f) Supervising the premises’ managers;
(g) Discussing financial matters relating to the management of the real estate with the owner; and
(h) Receiving and disbursing trust funds in a clients’ trust account under ORS 696.241.

(10) A nonlicensed individual who sells or leases cemetery lots, parcels or units while engaged in the disposition of human bodies under ORS 97.010 to 97.040, 97.110 to 97.450, 97.510 to 97.730, 97.810 to 97.920 and 97.990 or an employee of the nonlicensed individual performing similar activities.

(11) A nonlicensed individual who is a salaried employee of the State of Oregon, or any of its political subdivisions, engaging in professional real estate activity as a part of such employment.

(12) A nonlicensed individual who analyzes or provides advice regarding permissible land use alternatives, environmental impact, building and use permit procedures, development alternatives or demographic market studies, or performs development management, or a regular full-time employee of the nonlicensed individual performing similar activities. This exclusion does not apply to marketing, procuring prospects, leasing, or the handling of transactional negotiations for transfer of an interest in real estate.

(13) A nonlicensed individual who is a hotelkeeper or innkeeper as defined by ORS 699.005 arranging the rental of transient lodging at a hotel or inn in the course of business as a
hotelkeeper or innkeeper.

(14) An nonlicensed individual who is a travel agent arranging the rental of transient lodging at a hotel or inn as defined in ORS 699.005 in the course of business as a travel agent for compensation. For the purpose of this subsection, “travel agent” means a person, and employees of the person, regularly representing and selling travel services to the public directly or indirectly through other travel agents.

(15) An nonlicensed individual who is a common carrier arranging the rental of transient lodging at a hotel or inn as defined in ORS 699.005 in the course of business as a common carrier. For the purpose of this subsection, “common carrier” means a person that transports or purports to be willing to transport individuals from place to place by rail, motor vehicle, boat or aircraft for hire, compensation or consideration.

(16) An nonlicensed individual who is a hotel representative arranging the rental of transient lodging at a hotel or inn as defined in ORS 699.005 in the course of business as a hotel representative. For the purpose of this subsection, “hotel representative” means a person that provides reservations or sale services to independent hotels, airlines, steamship companies and government tourist agencies.

(17) A nonlicensed individual transferring or acquiring an interest in real estate owned or to be owned by the individual.

(18) An nonlicensed individual who is a general partner for a domestic or foreign limited partnership duly registered and operating within this state under ORS chapter 70 engaging in the sale of limited partnership interests and the acquisition, sale, exchange, lease, transfer or management of the real estate of the limited partnership.

(19) An nonlicensed individual who is a membership camping contract broker or salesperson registered with the Real Estate Agency selling membership camping contracts.

(20) An nonlicensed individual who is a professional forester or farm manager engaging in property management activity on forestland or farmland when the activity is incidental to the nonreal estate duties involving overall management of forest or farm resources.

(21) An nonlicensed individual who is a registered investment adviser under the Investment Advisers Act of 1940, 15 U.S.C. §80b-1 et seq., rendering real estate investment services for the office of the State Treasurer or the Oregon Investment Council.

(22) A nonlicensed individual who refers a new tenant for compensation to a real estate licensee acting as the property manager for a residential building or facility while the individual resides in the building or facility or within six months after termination of the individual’s tenancy.

(23) A nonlicensed individual who gives an opinion in an administrative or judicial proceeding regarding the value of real estate for taxation or representing a taxpayer under ORS 305.230 or 309.100.

(24) A nonlicensed individual acting as a paid fiduciary whose real estate activity is limited to negotiating a contract to obtain the services of a real estate licensee.

(25) A nonlicensed individual who is acting as a fiduciary under a court order, without regard to whether the court order specifically authorizes real estate activity.

(26) An nonlicensed individual who is a representative of a financial institution or trust company, as those terms are defined in ORS 706.008, that is attorney in fact under a duly executed power of attorney from the owner or purchaser authorizing real estate activity, if the power of attorney is recorded in the office of the county clerk for the county in which the real estate to be sold, leased or exchanged is located.
(27) An nonlicensed individual who is the sole a member or a managing member of a domestic or foreign limited liability company duly registered and operating within this state under ORS chapter 63 and who is engaging in the acquisition, sale, exchange, lease, transfer or management of the real estate of the limited liability company, provided either:

(a) the limited liability company is member-managed, or

(b) the limited liability company is manager-managed, and the member is a manager.

(28) An nonlicensed individual who is a partner in a partnership as defined in ORS 67.005 and who is engaging in the acquisition, sale, exchange, lease, transfer or management of the real estate of the partnership.

(29) An nonlicensed individual who is an officer or director of a domestic or foreign corporation duly registered and operating within this state under ORS chapter 60 and who is engaging in the acquisition, sale, exchange, lease, transfer or management of the real estate of the corporation. [Amended by 1955 c.322 §7; 1963 c.593 §1; 1967 c.277 §1; 1969 c.674 §2; 1975 c.746 §2; 1977 c.649 §11; 1979 c.125 §3; 1979 c.289 §1a; 1981 c.617 §4; 1985 c.639 §13; 1985 c.677 §64; 1991 c.5 §28; 1991 c.212 §1; 1993 c.18 §149; 1995 c.246 §1; 1997 c.307 §2; 1999 c.488 §2; 2001 c.300 §11; 2003 c.347 §1; 2005 c.116 §4; 2007 c.319 §7; 2009 c.136 §1; 2013 c.145 §10]

696.040 Single act sufficient to constitute professional real estate activity. One act or transaction of professional real estate activity is sufficient to constitute engaging in professional real estate activity, within the meaning of this chapter. [Amended by 1955 c.322 §8; 1977 c.649 §12]

696.050 [Amended by 1955 c.322 §9; 1961 c.471 §1; 1963 c.412 §1; 1969 c.515 §1; 1969 c.674 §3; 1971 c.671 §1; 1973 c.416 §3; 1973 c.827 §78; 1974 c.36 §21; 1975 c.746 §3; 1977 c.191 §1; 1977 c.649 §13; 1981 c.617 §5; 1983 c.258 §1; 1989 c.532 §6; 1989 c.724 §3; 1991 c.5 §29; repealed by 2001 c.300 §84]

696.060 [Amended by 1975 c.746 §4; 1977 c.649 §14; 1981 c.617 §6; repealed by 2001 c.300 §84]

696.070 [Amended by 1963 c.412 §2; repealed by 1977 c.649 §53 and 1977 c.842 §17]

696.080 [Amended by 1975 c.746 §5; 1977 c.649 §15; 1981 c.617 §6a; 1987 c.611 §14; repealed by 2001 c.300 §84]

696.085 [1991 c.462 §2; repealed by 2001 c.300 §84]

696.090 [Amended by 1955 c.322 §10; repealed by 1977 c.649 §16 and 1977 c.842 §17 (694.169 enacted in lieu of 696.090)]

696.100 [Amended by 1963 c.412 §3; 1977 c.649 §17; repealed by 2001 c.300 §84]

696.110 Exclusive nature of regulation of real estate licensees. The provisions of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.995 shall be exclusive and no political subdivision or agency of this state shall require or issue any license or charge any fee
for licensing or regulation of individuals licensed under ORS 696.022. Nothing in this section shall limit the authority of a county, city or town to levy and collect a general and nondiscriminatory license fee upon all businesses in the county, city or town or to levy a tax based upon the business conducted by any licensee or firm within the county, city or town. [Amended by 1955 c.322 §11; 1961 c.309 §3; 1965 c.617 §2; 1975 c.746 §1b; 2001 c.300 §12; 2007 c.319 §22]

696.120 [Amended by 1977 c.649 §18; repealed by 2001 c.300 §84]

696.125 Limited license. (1) The Real Estate Commissioner may issue a limited license to an applicant for a license as a real estate broker, principal real estate broker or real estate property manager if the commissioner determines that the issuance is in the public interest. The commissioner may limit a license issued under this section:
   (a) By term;
   (b) To acts subject to the supervision of a specific principal real estate broker;
   (c) By conditions to be observed in the exercise and the privileges granted; or
   (d) In other ways determined by the commissioner as necessary or appropriate to protect the public.

   (2) A limited license issued under this section may be renewed as provided by the Real Estate Commissioner by rule does not confer any property right in the privileges to be exercised under the license, and the holder of a limited license does not have the right to renewal of the limited license. [2009 c.224 §3; 2011 c.158 §14]

Note: 696.125 was added to and made a part of 696.010 to 696.495 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

696.130 Effect of revocation of license; limited license. (1)(a) If the license of a real estate broker or principal real estate broker is revoked by the Real Estate Commissioner on grounds related to professional real estate activity other than the management of rental real estate, the commissioner may not issue a new license until the individual complies with the provisions of ORS 696.010 to 696.495, 696.600 to 696.785 and 696.800 to 696.870.

   (b) If the license of a licensed real estate property manager is revoked by the commissioner, or if the license of a real estate broker or principal real estate broker is revoked by the commissioner, on grounds related to the management of rental real estate, the commissioner may not issue a new license until the individual complies with the provisions of ORS 696.010 to 696.495, 696.600 to 696.785 and 696.890.

   (2) Notwithstanding subsection (1) of this section, the commissioner may issue the individual a limited license if, in the discretion of the commissioner, it is in the public interest to do so. The commissioner may limit a license issued under this subsection:
   (a) By term;
   (b) To acts subject to the supervision of a specific principal real estate broker; or
(c) By conditions to be observed in the exercise and the privileges granted.

(3) A limited license issued under this section may be renewed as provided by the Real Estate Commissioner by rule does not confer any property right in the privileges to be exercised thereunder, and the holder of a limited license does not have the right to renewal of such license. A limited license may be suspended or revoked, or the licensee may be reprimanded, by the commissioner on the grounds set out in ORS 696.301. [Amended by 1955 c.322 §12; 1969 c.674 §4; 1973 c.416 §4; 1975 c.746 §6; 1977 c.191 §2; 1977 c.649 §19; 1981 c.617 §7; 1987 c.611 §15; 1991 c.5 §30; 2001 c.300 §13; 2003 c.398 §8; 2013 c.145 §7]

696.140 [Amended by 1961 c.471 §2; 1963 c.412 §4; 1973 c.416 §5; repealed by 1975 c.746 §10 (696.141 enacted in lieu of 696.140)]

696.141 [1975 c.746 §11 (enacted in lieu of 696.140); 1977 c.649 §51; 1979 c.243 §1; repealed by 2001 c.300 §84]

696.150 [Amended by 1977 c.649 §20; repealed by 2001 c.300 §84]

696.160 [Amended by 1969 c.674 §5; 1975 c.746 §12; 1977 c.649 §21; 1987 c.611 §16; 1989 c.724 §4; 1991 c.5 §31; repealed by 2001 c.300 §84]

696.162 [1975 c.746 §8; 1977 c.190 §1; 1977 c.649 §22; 1981 c.617 §8; 1987 c.468 §3; repealed by 1991 c.5 §46]

696.165 [1953 c.166 §4; 1969 c.674 §6; 1977 c.649 §23; 1981 c.617 §8a; 1991 c.5 §32; repealed by 2001 c.300 §84]

696.167 [1975 c.746 §9; 1977 c.649 §24; repealed by 1981 c.617 §41]

696.169 [1977 c.649 §16a (enacted in lieu of 696.090); 1989 c.724 §5; repealed by 2001 c.300 §84]

696.170 [Amended by 1955 c.322 §13; repealed by 1969 c.674 §20]

696.172 [1969 c.674 §9; repealed by 1975 c.746 §34]

696.174 Was changed by changing reference to “form” to “reporting format” to reflect that CE reporting is done online rather than by submission of a paper form.

696.174 License renewal; continuing education courses; rules. (1) To renew an active license, a real estate licensee must complete 30 hours of real estate continuing education courses that are eligible for credit under ORS 696.182 during the two years preceding the renewal. The 30 hours must include:

(a) At least three hours in a course on recent changes in real estate rule and law approved by the Real Estate Board; and

(b)(A) If the real estate broker is renewing an active license for the first time, an advanced course in real estate practices approved by the Real Estate Agency; or

(B) If a licensed real estate property manager is renewing an active license for the first time,
an advanced course in property management practices approved by the agency.

(2) The agency, in consultation with real estate professionals and educators, shall develop a reporting format to ensure that a licensee has completed the number of hours required by subsection (1) of this section. A completed form must contain:

(a) The date, name and length of time of each course attended;
(b) The name of the real estate continuing education provider that offered the course;
(c) The name of the instructor who taught the course; and
(d) Any other information that the agency requires by rule.

(3) The agency may waive any portion of the requirements of this section for a licensee who submits satisfactory evidence that poor health or other circumstances beyond the licensee’s control prevented the licensee from attending part or all of the continuing education courses required by subsection (1) of this section. [1969 c.674 §11; 1973 c.416 §6; 1977 c.649 §25; 1981 c.617 §9; 1983 c.359 §1; 1987 c.611 §19; 1989 c.724 §6; 1991 c.5 §33; 1995 c.335 §1; 2001 c.300 §14; 2009 c.324 §2; 2009 c.502 §2; 2011 c.158 §§11,12]

696.176 [1969 c.674 §10; 1975 c.746 §13; 1977 c.649 §26; repealed by 2001 c.300 §84]

696.180 [Amended by 1977 c.649 §27; repealed by 2001 c.300 §84]

696.182 was changed by inclusion of law firms in subsection (2)(f) in the group who qualify for certification. This addition tracks the practice of the Real Estate Board of accepting law firms who petition as being on par with individual attorneys. Language regarding “attorneys licensed in Oregon” was included to parallel criteria for individual attorneys who qualify under (2)(e).

696.182 (1) was modified to clarify that the agency not only certifies but renews certifications.

696.182 Continuing education; rules. (1) The Real Estate Agency, with advice from real estate professionals and educators, shall prescribe by rules a system for certifying and renewal of real estate continuing education providers.

(2) The agency shall include in the rules that an applicant for certification under this section must be:

(a) A main or branch office, with a registered business name as provided under ORS 696.026, of a licensed real estate property manager or principal real estate broker;
(b) A licensed title or escrow company conducting business in this state;
(c) A real estate trade association or a trade association in a related field;
(d) A real estate multiple listing service;
(e) An attorney who is an active member of the Oregon State Bar;
(f) A law firm, provided at least one of the attorneys employed or associated with the law firm is an active member of the Oregon State Bar.

(gf) A private career school licensed by the Higher Education Coordinating Commission and approved by the agency to provide the basic real estate broker’s or property manager’s educational courses required under ORS 696.022;

(he) An accredited community college, an accredited public university listed in ORS 352.002 or a private and independent institution of higher education as defined in ORS 352.720;

(ih) A distance learning provider as provided by rule of the agency; or
Another provider approved by the Real Estate Board.

The Real Estate Agency may provide continuing education without being certified under this section.

The agency, in consultation with real estate professionals and educators, shall provide by rule:

- A broad list of course topics that are eligible for continuing education credit required by ORS 696.174; and
- Learning objectives for each course topic.

The list of course topics developed by the agency under subsection (4) of this section must allow for changes in the real estate profession.

The minimum length of each course is one hour. A continuing education provider or course instructor may allow a break of no more than 10 minutes for each hour of instruction.

Note: 696.182, 696.184 and 696.186 were added to and made a part of 696.010 to 696.375 by legislative action but were not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

**696.184 Duties of continuing education provider; rules.** (1) A real estate continuing education provider shall:

- Ensure that the courses offered by the continuing education provider meet the learning objectives adopted under ORS 696.182 (4)(b);
- Ensure that instructors who teach a real estate continuing education course meet the requirements set forth in ORS 696.186; and
- Keep records of each course offered, for at least three years, in a manner and form prescribed by the Real Estate Agency by rule.

(2) Records maintained under this section must be open at all times for inspection by the Real Estate Commissioner or the commissioner’s authorized representatives. Upon request by the commissioner, a real estate continuing education provider must produce records within 15 business days after the date of the request.

(3) The agency may require by rule a real estate continuing education provider to submit a record maintained under this section to the agency electronically.

(4) The agency may prescribe by rule terms and conditions under which a real estate continuing education provider may maintain records outside this state. [2009 c.502 §5; 2013 c.145 §11]

Note: See note under 696.182.

**696.186 Qualifications of continuing education instructors; rules.** (1) A person must have one of the following qualifications to teach a real estate continuing education course that is eligible for credit required under ORS 696.174:

- A bachelor’s degree and two years of experience working in a field related to the topic of the course;
- Six years of experience working in a field related to the topic of the course;
- A total of six years of any combination of college-level coursework and experience working in a field related to the topic of the course;

Note: See note under 696.182.
(d) A designation by a professional real estate organization as determined by rule of the Real
Estate Agency and two years of college-level coursework;
(e) A designation by an association of real estate educators of competency as an instructor; or
(f) Certification or approval in good standing as a real estate instructor for the same or a
similar course topic in any other state or jurisdiction.

(2) Notwithstanding subsection (1) of this section, a person may not teach a real estate
continuing education course if the person:
(a) Has had a professional or occupational license related to the topic of the course revoked
for disciplinary reasons, or has a professional or occupational license related to the topic of the
course that is currently suspended for disciplinary reasons; or
(b) Has been determined by a state court or an administrative law judge to have violated any
statute, rule, regulation or order pertaining to real estate activity in this or any other state in the
preceding five years.

(3) Before a person teaches a course for a real estate continuing education provider, the
continuing education provider shall require the person to sign a form in which the person attests
to:
(a) Meeting one of the qualifications described in subsection (1) of this section; and
(b) Not being disqualified from teaching a course for reasons described in subsection (2) of
this section.

(4) The agency, with the advice of real estate professionals and educators, shall prescribe by
rule the content of the form described in subsection (3) of this section. [2009 c.502 §6; 2013
c.145 §12]

Note: See note under 696.182.

696.190 [Amended by 1977 c.649 §28; repealed by 1981 c.617 §41]

696.200 Reference to Licensee replaced with principle real estate broker and licensed real
estate property manager to omit brokers, who are not allowed to register a business name.
Deleted reference throughout to use of a real estate licensee’s name rather than an RBN, as
we are changing the law to require everyone to use RBN’s.

696.200 Main office; branch offices; change of business location. (1) A licensed real
estate property manager or principal real estate broker shall:
(a) Establish and maintain in this state a place of business designated as the real estate
licensee’s main office;
(b) Register the main office with the Real Estate Agency under a registered business name as
provided in ORS 696.026 or under the real estate licensee’s licensed name;
(c) Designate the main office by a sign that contains the name under which the real estate
licensee conducts professional real estate activity as provided in ORS 696.026; and
(d) Before changing a main office location, notify the agency of the new location on a form
approved by the agency.

(2) The change of a business location without notification to the agency as required by
subsections (1) and (5) of this section is grounds for revocation of a real estate license.

(3) The place of business of a principal real estate licensee broker or licensed real estate
property manager must be specified in the application for a real estate license and stated on the
license registered business name or branch office.

(4) A principal real estate broker or licensed real estate property manager may:
   (a) Establish and maintain one or more branch offices as separate business locations under
   the control and supervision of a licensed real estate property manager or principal real estate
   broker; and
   (b) Conduct and supervise the professional real estate activity of more than one office, whether
   a main office or a branch office.

(5) A licensed real estate property manager or principal real estate broker shall:
   (a) Register each branch office with the agency under a registered business name as provided
   in ORS 696.026 or the real estate licensee’s licensed name;
   (b) Designate each branch office by a sign that contains the name under which the real estate
   licensee conducts professional real estate activity as provided in ORS 696.026; and
   (c) Before changing a branch office location, notify the agency of the new location on a form
   approved by the agency.

(6) Upon vacating a main or branch office location, the licensed real estate property manager
   or principal real estate broker shall ensure that the sign containing the real estate licensee’s
   name or the registered business name is removed from the location.

(7) A licensed real estate property manager or principal real estate broker may not display
   any name at a main or branch office other than the registered business name under which the real
   estate licensee conducts professional real estate activity. [Amended by 1955 c.322 §14; 1961
   c.471 §3; 1965 c.367 §1; 1973 c.416 §7; 1975 c.746 §14; 1977 c.649 §29; 1979 c.823 §1; 1981
   c.617 §10; 1989 c.532 §7; 2001 c.300 §16; 2003 c.398 §9; 2005 c.116 §5; 2009 c.224 §4; 2011
   c.158 §7]

696.205 was changed to broaden application to include licensed real estate property managers
and the purpose of the temporary license. Reference to “real estate business in both 1 and 2
was changed to “professional real estate activity” to make language consistent throughout the
statutes.

Changed the terminology as discussed during the work group to be consistent with other
statutory language.

696.205 Death or incapacity of sole principal real estate broker or sole licensed real
estate property manager; temporary license; rules. (1) If a real estate licensee who is the sole
principal real estate broker or sole licensed real estate property manager of a real estate
business registered business name dies or becomes incapacitated, the Real Estate Commissioner
may issue a temporary license to the executor, administrator or personal representative of the
estate of the deceased real estate licensee or to the court-appointed fiduciary of the incapacitated
real estate licensee, or to some other individual designated by the commissioner. The
commissioner will determine whether the scope of the temporary license, in order is to continue
to conduct the professional real estate activity real estate business in the case of the
incapacitated real estate licensee or to wind up the affairs of the deceased or incapacitated real
estate licensee. The term of a temporary license issued under this section may not exceed one
year from the date of issuance unless the commissioner, in the discretion of the commissioner,
extends the term of the temporary license based on sufficient cause provided by the temporary
licensee to the commissioner.

(2) The Real Estate Agency may adopt administrative rules to administer this section or to
authorize an individual to transact conduct or wind up the professional real estate activity real estate business on behalf of the deceased or incapacitated real estate licensee principal real estate broker or licensed real estate property manager. [1975 c.746 §7; 2001 c.300 §17; 2005 c.116 §6; 2007 c.319 §8; 2009 c.324 §3]

696.210 [Amended by 1977 c.649 §30; repealed by 2001 c.300 §84]

696.220 [Repealed by 1955 c.322 §15]

696.221 [1955 c.322 §4; 1969 c.674 §12; 1977 c.649 §31; 1983 c.258 §2; 1991 c.5 §34; 2001 c.300 §18; repealed by 2005 c.116 §24]

696.224 [1955 c.322 §5; 1969 c.674 §13; 1977 c.649 §32; 1983 c.258 §3; 1989 c.724 §12; 1991 c.5 §35; repealed by 2001 c.300 §84]

696.226 [1955 c.322 §2; 1977 c.649 §33; 1983 c.258 §4; 1991 c.5 §36; 2001 c.300 §19; repealed by 2005 c.116 §24]

696.228 [1969 c.674 §8; 1977 c.649 §34; 1983 c.258 §5; repealed by 2001 c.300 §84]

696.230 [Repealed by 1969 c.674 §21]

696.232 was updated to reflect that licenses are no longer returned to the agency. It was also changed to improve readability and clarify the expiration date on a license after the licensee is no longer employed by the agency.

696.232 Return of license by employee of agency License to be placed on hold upon employment with agency; reissuance upon termination of employment. (1) An employee or officer of the Real Estate Agency licensed as a real estate licensee under this chapter shall return the employee’s or officer’s license to the agency at the time of commencing employment. The license status of a real estate licensee employed by the Real Estate Agency shall be placed on hold at the time of commencing employment. The agency shall hold the license as an active license held in suspense. At the termination of an employee’s or officer’s employment, the license may be returned to the licensee as an active or inactive license. The agency shall activate a license held in suspense placed on hold without payment of further fee, and the license expires on the date on which it would have expired if the license had not been held in suspense placed on hold. During the time of employment, the employee will not conduct professional real estate activity.

(2) Except as stated in subsection (1) of this section, the return of the license to the licensee and all renewals are subject to the provisions of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.995.


(Client Trust Fund Accounts)

696.241 corrected use of apostrophe in the word “clients’” in paras 2 and 6 and removed reference to “forms” in paras 4 and 6. Subsections (4) and (6) were then moved to 696.245 and inserted there as subsections (2) and (3), respectively. The purpose of the move was to group notice provisions regarding CTA’s together.

(5)(b) was changed in response to discussion with the workgroup to provide that compensation (converted from earnest money in CTA) is not considered commingling.

Subsection (13) was created to address the situation where a licensee accepts “handles” a check from a purchaser made out to the seller they “handle” checks and they are simply acting as the delivery person (which as the statute is written is not allowed). This would allow the handling of these checks and allow the agency to write related rules.

696.241 Clients’ trust accounts; notice to agency; branch trust account; interest earnings on trust account; when broker entitled to earnest money; funds not subject to execution; rules. (1) As used in this section, “trust funds” means money belonging to others that is received or handled by a licensed real estate property manager or principal real estate broker in the course of conducting professional real estate activity and in the real estate licensee’s fiduciary capacity.

(2) A licensed real estate property manager, or a principal real estate broker who engages in the management of rental real estate, shall open and maintain in this state one or more separate federally insured bank accounts that are designated clients’ trust accounts under ORS 696.245. A principal real estate broker who engages in the management of rental real estate or a licensed real estate property manager shall deposit in a clients’ trust account all trust funds received or handled by the principal real estate broker, licensed real estate property manager or real estate licensees subject to the supervision of the principal real estate broker.

(3)(a) A principal real estate broker who receives or handles trust funds and does not deposit the trust funds in a licensed neutral escrow depository as described in paragraph (b) of this subsection shall open and maintain in this state one or more separate federally insured bank accounts that are designated clients’ trust accounts under ORS 696.245. Pursuant to written agreement of all parties to a real estate transaction having an interest in the trust funds, the principal real estate broker shall immediately place the trust funds in a clients’ trust account.

(b) A principal real estate broker may deposit trust funds in a licensed neutral escrow depository in this state.

(4) Within 10 business days after the date a clients’ trust account is opened, a licensed real estate property manager or principal real estate broker shall file with the Real Estate Agency, on forms approved by the agency, notice that the account or accounts have been opened. Such notice shall include the following information about the clients’ trust account including but not limited to:

(a) The name of the bank;
(b) The account number;
(c) The name of the account;
(d) The date the account was opened; and
(e) A statement by the licensed real estate property manager or principal real estate broker
authorizing the Real Estate Commissioner or the commissioner’s representative to examine the
clients’ trust account at such times as the commissioner may direct.

(45) A principal real estate broker or licensed real estate property manager who opens a
clients’ trust account under subsection (2) or (3) of this section, or to whom ownership of a
clients’ trust account is transferred under subsection (6) of this section, is liable for all deposits
and disbursements made using the clients’ trust account until the principal real estate broker or
licensed real estate property manager closes the account or transfers ownership of the account.

(6) A licensed real estate property manager or principal real estate broker who closes a
clients’ trust account, or to whom ownership of a clients’ trust account is transferred as
authorized by the agency by rule, shall notify the agency, within 10 business days after the date
the account is closed or transferred, on a form approved by the agency.

(57) A licensed real estate property manager or principal real estate broker may not
commingle any other funds with the trust funds held in a clients’ trust account except:
(a) earned interest on a clients’ trust account as provided in subsections (97) and (108) of this
section, and
(b) earned compensation as provided in subsection (9) of this section.

(68) If a licensed real estate property manager or principal real estate broker maintains a
separate clients’ trust account in a branch office, a separate bookkeeping system must be
maintained in the branch office and a copy of the records required under ORS 696.280 must be
maintained in the main office of the licensed real estate property manager or principal real estate
broker.

(79) Trust funds received by a licensed real estate property manager or principal real estate
broker may be deposited by the licensed real estate property manager or principal real estate
broker in a federally insured interest-bearing bank account that is designated a clients’ trust
account under ORS 696.245, but only with the prior written approval of all parties having an
interest in the trust funds. The earnings of the interest-bearing account do not inure to the benefit
of the licensed real estate property manager or principal real estate broker unless expressly
approved in writing by all parties having an interest in the trust funds before deposit of the trust
funds.

(840) With prior written notice to all parties who have an interest in the trust funds, a
principal real estate broker may place trust funds received by the principal real estate broker in a
real estate sales, purchase or exchange transaction in a federally insured interest-bearing bank
account that is designated a clients’ trust account under ORS 696.245, the earnings of which
inure to the benefit of a public benefit corporation, as defined in ORS 65.001, for distribution to
organizations and individuals for first-time homebuying assistance and for development of
affordable housing. The principal real estate broker shall select a qualified public benefit
corporation to receive the interest earnings.

(94) In connection with a real estate sales, purchase or exchange transaction, a principal real
estate broker is not entitled to any part of any interest earnings on trust funds deposited under
subsection (97) of this section or to any part of the earnest money or other money paid to the
principal real estate broker as part or all of the principal real estate broker’s compensation until
the transaction has been completed or terminated. The principal real estate broker and the seller shall negotiate and agree in writing to the disposition of forfeited earnest money at the time of execution by the seller of any listing agreement or earnest money agreement. An agreement about the disposition of forfeited earnest money must be initialed by the seller or immediately precede the seller’s signature.

(10) Trust funds in a clients’ trust account are not subject to execution or attachment on any claim against a licensed real estate property manager or principal real estate broker.

(14) The agency by rule shall establish an optional procedure by which a principal real estate broker may elect to disburse disputed funds held in relation to the sale, exchange or purchase of real estate from a clients’ trust account to the person who delivered the funds to the principal real estate broker. The procedure must allow disbursement not more than 20 days after a request is made for the disbursement. A disbursement pursuant to the procedure does not affect the claim of any other person to the funds.

(12) The agency may provide by rule for other records to be maintained and for the manner in which trust funds are deposited, held and disbursed. These rules may include requirements for interest or compensation held in a clients’ trust account, as allowed in subsection (5) of this section, to be disbursed from the clients’ trust account to the licensed real estate property manager or principal real estate broker.

(13) The handling of checks made payable to the property owner or seller, which the real estate licensee receives from the buyer or tenant to transmit to the property owner or seller, are exempt from the deposit requirement in subsections (2) and (3) of this section. The agency may provide by rule the records to be maintained for these checks and the manner in which the checks are transmitted.


696.243 “Real estate broker” was removed because it is no longer relevant. The language related back to sole practitioners. Also, “licensed” was added to “real estate property manager”.

696.243 Substituting copy for original canceled check allowed; electronic fund transfers. (1) Any real estate broker, principal real estate broker, licensed real estate property manager or escrow agent who is required by the Real Estate Commissioner to maintain the canceled checks used to disburse moneys from the licensee’s clients’ trust account may substitute a copy of the original canceled check, if the copy is provided by a bank and is produced by optical imaging or other process that accurately reproduces the original or forms a durable medium for reproducing the original, and the copy is at least 300 dots per inch in quality.

(2) A real estate broker, principal real estate broker, licensed real estate property manager or escrow agent may use electronic fund transfers for the deposit into or for withdrawal from a clients’ trust account established under ORS 696.241 or 696.578, if the bank furnishes to the licensee an accurate paper record of the deposits and withdrawals.

(3) As used in subsection (2) of this section, “electronic fund transfer” has the meaning set forth in section 903 of the Electronic Transfer Act (P.L. 90-321, 15 U.S.C. §1693a). [1995 c.760 §4; 2001 c.300 §22]
Note: 696.243 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 696 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

696.245 Added subsections removed from 696.241, and reworded for clarity. The authorization to examine was added to the notice of clients’ trust account. The existing subsection (2) was renumbered (5), and modified to reference principal brokers and property managers instead of “real estate licensees” because the definition of “real estate licensee” includes brokers, who do not have authority to create or manage these accounts.

696.245 Clients’ trust accounts; notice to bank and Real Estate Agency; retention of copy. (1) Each licensed real estate property manager and principal real estate broker, at the time a clients’ trust account is opened as required under ORS 696.241, shall provide the bank in which the account is opened with a notice, acknowledged by the real estate licensee and the bank, in substantially the following form:

NOTICE OF CLIENTS’ TRUST ACCOUNT AND AUTHORIZATION TO EXAMINE

To: ________(name of bank)

Under the Oregon Real Estate License Law, I, ____________(licensed name), am a licensed real estate property manager or licensed principal real estate broker for ____________ (licensed name of principal real estate broker or real estate property manager, or a registered business name registered under ORS 696.026).

Under ORS 696.241, I am required to maintain in Oregon a clients’ trust account for the purpose of holding funds belonging to others received in the course of conducting professional real estate activity.

The account(s) numbered _________ in the name(s) of ____________ is/are hereby designated as a clients’ trust account and the account(s) is/are maintained with you as a depository for money belonging to persons other than myself and in my fiduciary capacity as a licensed real estate property manager or principal real estate broker established by client agreements in separate documents.

I hereby authorize you to furnish information requested by the Oregon Real Estate Commissioner and/or authorized representative concerning the account listed above as required under ORS 696.245.

Dated: ____________(insert date)

__________________
(signature of real estate licensee)

ACKNOWLEDGMENT OF RECEIPT

I, ____________, a duly authorized representative of ____________ (bank), do hereby acknowledge receipt of the above NOTICE OF CLIENTS’ TRUST ACCOUNT AND
AUTHORIZATION TO EXAMINE on ______ (date).

__________________  
(signature)  

__________________  
(title)  

(2) Within 10 business days after the date a clients’ trust account is opened, a licensed real 
estate property manager or principal real estate broker shall give the Real Estate Agency 
notification that the account has been opened. Such notification shall include information about 
the clients’ trust account including but not limited to:  
   (a) The name of the bank;  
   (b) The account number;  
   (c) The name of the account;  
   (d) The date the account was opened; and  
   (e) A copy of the notice described in subsection (1) of this section.  
(3) Within 10 business days after the date a clients’ trust account is closed or transferred, a 
licensed real estate property manager or principal real estate broker shall give the Real Estate 
Agency notification that the account has been closed or transferred, including the date the 
account was closed.  
(4) Notification to the agency required under subsections (2) and (3) shall be made in the 
manner established by agency rule.  
(52) The real estate licenseeprincipal real estate broker or licensed real estate property 
manager shall retain the acknowledged copy of the notice described in subsection (1) of this 
section for at least six years following the closing of the account as provided in ORS 696.280. 
[1985 c.589 §2; 1991 c.5 §38; 2001 c.300 §23; 2005 c.116 §19; 2009 c.324 §6; 2011 c.158 §3]

Note: 696.245 was added to and made a part of ORS 696.010 to 696.495 by legislative 
action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes 
for further explanation.

696.247 [1989 c.916 §1; 1991 c.716 §1; repealed by 1997 c.801 §37]  
696.249 [1989 c.916 §2; 1991 c.716 §2; repealed by 1997 c.801 §37]  
696.250 [Amended by 1953 c.202 §2; 1961 c.675 §1; 1965 c.367 §2; 1969 c.674 §14; 1975 
c.746 §19; 1977 c.649 §37; 1981 c.617 §12; repealed by 1989 c.532 §10]  
696.251 [1989 c.916 §2a; repealed by 1997 c.801 §37]  
696.253 [1989 c.916 §3; repealed by 1997 c.801 §37]  
696.254 [1989 c.916 §7; 1991 c.716 §4; 1993 c.744 §176; repealed by 1997 c.801 §37]
696.255 Nonresident license equivalent to appointment of commissioner as agent for service of process; service on commissioner; fee. (1) The acceptance by a nonresident of a real estate license shall be considered equivalent to an appointment by the nonresident of the Real Estate Commissioner as the nonresident licensee’s true and lawful attorney, upon whom may be served any lawful summons, process or pleading in any action or suit against the nonresident licensee in any court of this state, arising out of any business done by the nonresident licensee as a real estate licensee in this state. The acceptance shall be considered equivalent to an agreement by the nonresident licensee that any summons, process or pleading so served shall be of the same legal force and validity as if served on the nonresident licensee personally in this state.

(2) If it appears by the certificate of the sheriff of the county in which an action or suit has been filed against a nonresident licensee, that the defendant cannot be found in this state, service of any summons, process or pleading in the action or suit may be made by leaving a copy thereof, with a fee of $2, in the hands of the commissioner or in the commissioner’s office. Such service shall be sufficient and valid personal service upon the defendant; provided that:

(a) Notice of the service and copy of the summons, process or pleading is sent forthwith by registered mail or by certified mail with return receipt by the plaintiff or the plaintiff’s attorney to the defendant, at the most recent address furnished to the commissioner by the nonresident licensee or to the nonresident licensee’s last-known address; and

(b) The affidavit of the plaintiff or the plaintiff’s attorney of the mailing is appended to the summons, process or pleading and entered as a part of the return thereof.

(3) Notwithstanding any other provision of this section, personal service outside of the state in accordance with the statutes relating to personal service of summons outside of the state shall relieve the plaintiff from the mailing requirement under this section.

(4) Any summons served as provided in this section shall require the defendant to appear and answer the complaint within four weeks after receipt thereof by the commissioner.

(5) The fee of $2 paid by the plaintiff to the commissioner shall be taxed as costs in favor of the plaintiff if the plaintiff prevails in the action.

(6) The commissioner shall keep a record of each summons, process or pleading served upon the commissioner under this section, showing the day and hour of service. [1981 c.617 §12a; 1989 c.532 §9; 1991 c.249 §62]

696.258 [1989 c.532 §1; repealed by 2001 c.300 §84]

696.260 [Repealed by 1977 c.649 §53 and 1977 c.842 §17]

696.262 [1989 c.532 §§2,3; repealed by 1999 c.470 §4]

696.265 Recognition of nonresident real estate licensee; rules. Notwithstanding ORS 696.040 to 696.232 and 696.255, the Real Estate Commissioner may prescribe by rule the terms and conditions for license recognition of a nonresident real estate broker or salesperson and for reciprocity agreements with other states and countries, including but not limited to application procedures, license qualifications, license maintenance, limitations on activities and license
renewal requirements. [1989 c.532 §4; 1999 c.470 §3; 2001 c.300 §24]

Note: 696.265 was added to and made a part of 696.010 to 696.495 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

(Miscellaneous)

696.270 Was subject to two sets of changes. The first were substantive, and are as follows: updated to remove “real estate broker” and add “licensed real estate property manager” for opening a registered branch office. Reference to “real estate broker” was a holdover from the time of sole practitioners. Added “licensed” to “real estate property manager” throughout to match definitional language. Added “active limited license” to (3)(a) and (b) as part of the cleanup on limited licenses. Deleted fee in subsection what was subsection (6) because the agency no longer provides a duplicate copy of a license. Raised some fees, and added fees for application and renewal as a continuing education provider and for RBN renewal and change of RBN name.

The second change was a thorough reorganization to group fees by user in order to improve readability. The first sentence of the statute was also changed to correct grammar, with no substantive effect.

“Active” was added to (3)(a) and “inactive limited license” was added to (3)(b). Also, “certification” was added to (7). “Certification” is used instead of “Registration” because all statutory references to CE providers refer to Certification rather than Registration.

696.270 Fees. The following are the maximum fees described in this section that may be charged by the Real Estate Agency for activities covered under this section. Actual fees shall be prescribed by the Real Estate Commissioner with approval of the Oregon Department of Administrative Services. This section applies to the following fees:

(1) For each licensing examination applied for, $75.
(2) For each applicant for a real estate broker’s, principal real estate broker’s or licensed real estate property manager’s license, $230:
   (a) Application for license, $300;
   (b) Change of name, $10,
(3) For each real estate broker, principal real estate broker or licensed real estate property manager licensee:
   (a) Renewal of active license or active limited license, $300;
   (b) Renewal of inactive license or inactive limited license, $150;
   (c) In addition to the renewal fee, for late renewal, $150;
   (d) Change of name, $10;
   (e) Transfer of license between registered business names, $10; and
   (f) Reactivation of an inactive license, $150,
(4) For each registered business name:
   (a) Initial registration, $300;
   (b) Renewal of active registration, $50; and
(c) Change of the name, $300

(5) For each registered branch office:
   (a) Initial registration, $50; and
   (b) Change of the name, $50

(6) For each temporary license issued under ORS 696.205:
   (a) Initial issuance, $150; and
   (b) Extension, $150.

(7) For each continuing education provider certification:
   (a) Initial application, $300; and
   (b) Renewal, $50.

(8) For each renewal of a real estate broker’s, principal real estate broker’s or real estate property manager’s license, $230.

(10) In addition to the renewal fee, for late renewal, $30.

(12) For initial registration of a business name, $230.

(13) For each change of the name of a registered business name, $300

(14) For each change of the name of a registered branch office, $50

[Amended by 1953 c.166 §5; 1955 c.457 §1; subsections (13), (14), (15) enacted as 1955 c.322 §3; 1957 c.383 §2; 1961 c.670 §1; 1965 c.617 §3; 1969 c.674 §15; 1971 c.293 §1; 1975 c.746 §20; 1977 c.191 §3; 1977 c.649 §52; 1981 c.566 §4; 1987 c.58 §13; 1987 c.158 §146; 1987 c.611 §20; 1989 c.724 §8; 1991 c.5 §39; 1991 c.462 §3; 1997 c.451 §1; 2001 c.300 §25; 2003 c.398 §10; 2005 c.116 §20; 2011 c.158 §15]

696.275 [1977 c.873 §18; repealed by 1987 c.58 §15]

Note: Section 9, chapter 324, Oregon Laws 2009, provides:

Sec. 9. Notwithstanding ORS 696.270, the Real Estate Agency may not charge a fee for the initial issuance of a principal real estate broker’s license to a sole practitioner who conducted professional real estate activity as a sole practitioner prior to January 1, 2010. [2009 c.324 §9]

696.280 Title was changed because this applies to all real estate licensees.
696.280 Records of licensed real estate property managers and real estate brokers; rules. (1) A licensed real estate property manager or principal real estate broker shall maintain within this state, except as provided in subsection (6) of this section, complete and adequate records of all professional real estate activity conducted by or through the property manager or principal broker. The Real Estate Agency shall specify by rule the records required to establish complete and adequate records of a licensed real estate property manager’s or principal real estate broker’s professional real estate activity. The only documents the agency may require by rule a licensed real estate property manager or principal real estate broker to use or generate are documents that are otherwise required by law or are voluntarily generated in the course of conducting professional real estate activity.

(2) A real estate licensee shall maintain records of the licensee’s attendance in continuing education courses for a period of at least three years. The records of attendance must meet the requirements of ORS 696.174.

(3) Records maintained under this section must at all times be open for inspection by the Real Estate Commissioner or the commissioner’s authorized representatives.

(4) Except as provided in subsection (2) of this section, records under this section must be maintained by the real estate licensee for a period of not less than six years after the following date:

(a) For a notice of clients’ trust account under ORS 696.245, the date the account was closed;
(b) For real estate transactions, the date a transaction closed or failed, whichever is later;
(c) For management of rental real estate, the date on which the record expired, was superseded or terminated, or otherwise ceased to be in effect; and
(d) For all other records, the date the record was created or received, whichever is later.

(5) Records under this section may be maintained in any format that allows for inspection and copying by the commissioner or the commissioner’s representatives, as prescribed by rule of the agency.

(6) The agency may prescribe by rule terms and conditions under which a licensed real estate property manager or principal real estate broker may maintain records outside this state.

[Amended by 1977 c.649 §38; 1981 c.617 §12b; 1983 c.258 §7; 1991 c.5 §40; 1995 c.335 §3; 2001 c.300 §26; 2005 c.116 §21; 2007 c.319 §9a; 2009 c.324 §7; 2009 c.502 §10; 2011 c.158 §8]

696.290 was changed to make it clear that the licensee may create an entity for purposes of receiving compensation, and to remove reference to real estate brokers, where the reference was meant for sole practitioners, who longer exist. Also to clarify that an exempt person under 696.030 may not share in broker’s compensation.

696.290 Sharing compensation with or paying finder’s fee to unlicensed person prohibited; exceptions; compensation generally. (1)(a) Except as provided in paragraph (b) of this subsection, a real estate licensee may not offer, promise, allow, give, pay or rebate, directly or indirectly, any part or share of the licensee’s compensation arising or accruing from any real estate transaction or pay a finder’s fee to any person who is not a real estate licensee licensed under ORS 696.022, including an individual who is exempt from licensing requirements under ORS 696.030.

(b) A real estate broker or principal real estate broker may pay a finder’s fee or a share of the licensee’s compensation on a cooperative sale when the payment is made to a licensed real estate
broker in another state or country, provided that:

(A) The state or country in which the nonresident real estate broker is licensed has a law permitting real estate brokers to cooperate with real estate brokers or principal real estate brokers in this state; and

(B) The nonresident real estate broker does not conduct in this state any acts constituting professional real estate activity and for which compensation is paid. If a country does not license real estate brokers, the payee must be a citizen or resident of the country and represent that the payee is in the business of real estate brokerage in the other country.

(2) A real estate broker associated with a principal real estate broker may not accept compensation from any person other than the principal real estate broker with whom the real estate broker is associated at the time.

(3) A principal real estate broker may not make payment to the real estate broker of another principal real estate broker except through the principal real estate broker with whom the real estate broker is associated.

(4) Notwithstanding any other provision of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995, a principal real estate broker or real estate broker associated with a principal real estate broker may create a corporation, limited liability company, limited liability partnership or any other lawfully constituted business organization for the purpose of receiving compensation. The real estate licensee may not conduct professional real estate activity under this business organization.

(5) A real estate licensee principal real estate broker or licensed real estate property manager who has a property management agreement with the owner of a residential building or facility from authorizing the payment of a referral fee, rent credit or other compensation to an existing tenant of the owner or licensee, or a former tenant if the former tenant resided in the building or facility within the previous six months, as compensation for referring new tenants to the licensee.

(b) Nothing in subsection (1) of this section prevents an Oregon real estate broker or principal real estate broker from sharing compensation on a cooperative nonresidential real estate transaction with a person who holds an active real estate license in another state or country, provided:

(A) Before the out-of-state real estate licensee performs any act in this state that constitutes professional real estate activity, the licensee and the cooperating Oregon real estate broker or principal real estate broker agree in writing that the acts constituting professional real estate activity conducted in this state will be under the supervision and control of the cooperating Oregon principal real estate broker and will comply with all applicable Oregon laws;

(B) The cooperating Oregon real estate broker or principal real estate broker or a real estate broker associated with the principal real estate broker accompanies the out-of-state real estate licensee and the client during any property showings or negotiations conducted in this state; and

(C) All property showings and negotiations regarding nonresidential real estate located in this
state are conducted under the supervision and control of the cooperating Oregon real estate broker or principal real estate broker.

(b) As used in this subsection, “nonresidential real estate” means real property that is improved or available for improvement by commercial structures or five or more residential dwelling units. [Amended by 1953 c.42 §2; 1961 c.670 §2; 1969 c.674 §16; 1975 c.746 §21; 1977 c.649 §40; 1981 c.617 §13; 1989 c.724 §9; 1997 c.307 §1; 1999 c.470 §1; 2001 c.300 §27; 2007 c.337 §5; 2009 c.324 §8; 2013 c.145 §3]

696.294 Opinion letter; rules. (1) As used in this section, “letter opinion” means a document that expresses a real estate licensee’s conclusion regarding a recommended listing, selling or purchase price or a rental or lease consideration of certain real estate and that results from the licensee’s competitive market analysis.

(2) The Real Estate Commissioner by rule shall specify the minimum contents of a letter opinion, including but not limited to the distinction between a letter opinion and a real estate appraisal. [2007 c.319 §3]

Note: 696.294 was added to and made a part of 696.010 to 696.495 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

696.300 [Amended by 1959 c.585 §1; 1961 c.670 §3; 1969 c.674 §17; 1971 c.743 §409; 1973 c.421 §50; 1974 c.1 §25; repealed by 1975 c.746 §22 (696.301 enacted in lieu of 696.300)]

696.301 was changed to include 696.890 in the statutory series referenced in subsection (3). When this statute was originally passed, 696.890 did not exist.

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

(1) Created a reasonable probability of damage or injury to a person by making one or more material misrepresentations or false promises in a matter related to professional real estate activity.

(2) Represented, attempted to represent or accepted compensation from a principal real estate broker other than the principal real estate broker with whom the real estate broker is associated.

(3) Disregarded or violated any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, and 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency.

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

(5) Acted as an agent and an undisclosed principal in any transaction.

(6) Intentionally interfered with the contractual relations of others concerning real estate or professional real estate activity.

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

(8) Accepted employment or compensation for the preparation of a competitive market analysis or letter opinion that is contingent upon reporting a predetermined value or for real estate in which the licensee had an undisclosed interest.
(9) Represented a taxpayer as described in ORS 305.230 or 309.100, contingent upon reporting a predetermined value or for real estate in which the licensee had an undisclosed interest.

(10) Failed to ensure, in any real estate transaction in which the licensee performed the closing, that the buyer and seller received a complete detailed closing statement showing the amount and purpose of all receipts, adjustments and disbursements.

(11) Has been convicted of a felony or misdemeanor substantially related to the licensee’s trustworthiness or competence to engage in professional real estate activity.

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

(13) Violated a term, condition, restriction or limitation contained in an order issued by the commissioner.

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

(15) Engaged in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon. [1975 c.746 §23 (enacted in lieu of 696.300); 1977 c.649 §41; 1981 c.532 §8; 1991 c.5 §41; 1993 c.547 §9; 1993 c.570 §13; 1999 c.470 §10a; 2005 c.398 §10a; 2005 c.393 §3; 2007 c.319 §10; 2007 c.337 §6]

696.310 was substantially rewritten to clarify the relationships and responsibilities of principal brokers and licensed property managers when in business together. The intent of 696.026(12) (clarify that each PB is responsible for themselves barring other arrangement) was moved here by removing discussion of liability of principal brokers for other principle brokers that had existed in subsection (1). That language was due for removal also because it related back to when PBs associated with other PBs and not the registered business name. A new subsection (2) was added to capture the principal broker to property manager relationship, former subsection (2) was broken off to become 696.312 because the subject (effect of violations on others) is different enough to merit its own title and added nothing to the readability of 696.310 when located there. A new subsection (3) was added to establish that (like two PB’s under same registered business name discussed above) PBs and PMs are each responsible for their own activities barring another intended result. Responsibility for employees was dropped from subsection (1) because it is not professional real estate activity.

696.310 Intracompany supervision and control agreements required for principal real estate brokers and licensed real estate property managers; effect of revocation on licensed associates. (1) If two or more principal real estate brokers are associated with the same registered business name, they shall: in business together, the brokers may have equal supervisory control over and shall be equally responsible for the conduct of other principal real estate brokers or real estate brokers associated with the principal real estate brokers, or other employees employed by the principal real estate brokers. The principal real estate brokers shall

(a) Execute one or more written supervisory agreement(s) between them that:

(A) Fully allocates the supervisory control and responsibility for the professional real estate activities of all real estate brokers currently
(B) Includes a default allocation of supervisory control and responsibility for any real estate brokers who associate with the registered business name in the future or are otherwise omitted; and

(C) Includes any supervisory control and responsibility of one principal real estate broker over another principal real estate broker.

(b) Update the written supervisory agreement whenever the disassociation of a principal real estate broker occurs that affects the current allocation of supervisory control or responsibility; and

(c) Share equal supervisory control and responsibility for any professional real estate activity conducted by real estate brokers associated under the registered business that is not covered under the written supervisory agreement required in subsection (1)(a) of this section.

(2) If a licensed real estate property manager is or becomes associated under the same registered business name with any combination of licensed real estate property managers and principal real estate brokers, they shall:

(a) Execute a written supervisory agreement between them that:

(A) Fully allocates supervisory control and responsibility for management of rental real estate activities conducted by all principal real estate brokers and licensed real estate property managers currently associated under the same registered business name.

(B) If applicable, shall include any arrangement for supervisory control and responsibility over the management of rental real estate conducted by licensed real estate property managers.

(b) Update the written supervisory agreement as necessary to comply with subsection (2)(a)(A) whenever another licensed real estate property manager or principal real estate broker associates under the registered business name; and

(c) Update the written supervisory agreement as necessary to comply with subsection (2)(a)(A) whenever the disassociation of a licensed real estate property manager or principal real estate broker occurs that affects the current allocation of supervisory control or responsibility over management of rental real estate.

(3) Licensed real estate property managers and principal real estate brokers who do not exercise any administrative or supervisory control over one another are each responsible for their own management of rental real estate.

(2) An act constituting a violation of any of the provisions of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.995 or of any rule adopted thereunder by any licensee is not cause for the suspension or revocation of a license of any real estate licensee associated with or engaged by such licensee, unless it appears to the satisfaction of the Real Estate Commissioner that such associated or engaged real estate licensee had guilty knowledge of the act. A course of dealing shown to have been persistently and consistently followed by any real estate licensee shall constitute prima facie evidence of such knowledge upon the part of any real estate licensee associated with or engaged by that licensee. [Amended by 1977 c.649 §42; 1981 c.617 §15; 2001 c.300 §31]

696.312 See explanation for 696.310.

696.312 Effect of violation on other licensees within business. An act constituting a violation...
of any of the provisions of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, and 696.995 or of any rule adopted thereunder by any licensee is not cause for the suspension or revocation of a license of any real estate licensee associated with or engaged by such licensee, unless it appears to the satisfaction of the Real Estate Commissioner that such associated or engaged real estate licensee had guilty knowledge of the act. A course of dealing shown to have been persistently and consistently followed by any real estate licensee shall constitute prima facie evidence of such knowledge upon the part of any real estate licensee associated with or engaged by that licensee. [Amended by 1977 c.649 §42; 1981 c.617 §15; 2001 c.300 §31]

696.315 Prohibition against licensee permitting nonlicensed individual to engage in activity with or on behalf of licensee; exception. (1) Except as provided in subsection (2) of this section, a real estate licensee may not knowingly permit a nonlicensed individual to engage in professional real estate activity, with or on behalf of the licensee.

(2)(a) A principal real estate broker engaging in the management of rental real estate or a licensed real estate property manager may delegate to a person who is not licensed under this chapter the authority to conduct an activity described in ORS 696.030 (9). A delegation made under this paragraph must be in writing.

(b) The principal real estate broker or licensed real estate property manager is liable for the conduct of the nonlicensed person that the principal real estate broker or licensed real estate property manager authorizes under paragraph (a) of this subsection. [1977 c.649 §7; 1981 c.617 §15a; 2007 c.319 §11; 2013 c.145 §6]

696.320 Effect of suspension or revocation of principal broker license on associated licensees. The suspension or revocation of a principal real estate broker’s license renders inactive every license of the real estate brokers engaged by the principal real estate broker pending a transfer of the license. The Real Estate Agency shall transfer a license rendered inactive under this section if the real estate licensee requests a transfer within 30 days after the effective date of the suspension or revocation of the principal real estate broker’s license and pays a transfer fee. [Amended by 1969 c.674 §18; 1975 c.746 §24; 1977 c.649 §43; 1981 c.617 §15b; 1989 c.724 §10; 2001 c.300 §32; 2005 c.116 §9]

696.325 [1975 c.746 §36; 1977 c.649 §44; repealed by 1981 c.617 §41]

696.330 [Amended by 1967 c.206 §1; repealed by 1971 c.734 §21]

696.340 [Repealed by 1971 c.734 §21]

696.345 [1977 c.649 §4; repealed by 1991 c.5 §46]

696.350 [Repealed by 1971 c.734 §21]

696.355 [1977 c.649 §6; 1987 c.468 §4; 1991 c.5 §42; repealed by 2001 c.300 §84]

696.359 [1981 c.617 §39; repealed by 2001 c.300 §84]

696.360 [Amended by 1967 c.206 §2; repealed by 1971 c.734 §21]
696.361 [1987 c.611 §18; 1989 c.724 §17; 1991 c.5 §43; 2001 c.300 §33; repealed by 2013 c.145 §17]

696.363 Relationship between licensees as independent contractors or employer and employee. Nothing contained in ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995 prevents the establishment of an independent contractor relationship between real estate licensees or requires the establishment of an employer-employee relationship. [1981 c.617 §40]

696.365 City or county business license tax. (1) A city or county may not impose a business license tax on or collect a business license tax from an individual licensed as a real estate broker who engages in professional real estate activity only as an agent of a principal real estate broker.

(2) As used in this section, “business license tax” has the meaning given that term in ORS 701.015. [1987 c.581 §4; 2001 c.300 §78; 2007 c.319 §12]

Note: 696.365 was added to and made a part of ORS 696.010 to 696.495 but was not added to any smaller series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

(Administration)

696.375 Real Estate Agency; Real Estate Commissioner; confirmation, salary and security of commissioner. (1) The Real Estate Agency is established.

(2) The Real Estate Agency shall be under the supervision and control of an administrator who shall be known as the Real Estate Commissioner. The Governor shall appoint the Real Estate Commissioner who shall have been, before the date of appointment, for five years a real estate broker or principal real estate broker actively engaged in business as such in this state. The Governor also may appoint an individual who has been actively connected with the administration of the agency for at least one year as acting or temporary commissioner. The commissioner shall hold office at the pleasure of the Governor and shall be responsible for the performance of the duties imposed upon the agency. The Real Estate Commissioner shall receive such salary as may be provided by law.

(3) The appointment of the commissioner is subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.

(4) Before entering upon the duties of office the commissioner shall give to the state a fidelity bond with one or more corporate sureties authorized to do business in this state, or an irrevocable letter of credit issued by an insured institution, as defined in ORS 706.008, in either case in the sum fixed by the Governor. The premium for the bond or the fee for the letter of credit shall be paid by the agency. [1963 c.580 §§40,41; 1974 c.25 §1; 1975 c.746 §25; 1987 c.414 §38; 1991 c.331 §104; 1995 c.674 §1; 1997 c.631 §523; 2001 c.300 §34; 2007 c.319 §13]

696.380 [Repealed by 1963 c.580 §103]
696.385 Power of agency; rulemaking procedures. The Real Estate Agency shall have the power to:

1. Adopt a seal by which it shall authenticate its proceedings.

2. From time to time, prepare and cause to be printed and circulated among the real estate licensees of Oregon such printed matter material as it may deem helpful or educational or proper for the guidance and welfare of such licensees.

3. Make and enforce any and all such reasonable rules as shall be deemed necessary to administer and enforce the provisions of, and enforce and discharge the duties defined in, any law with the administration or enforcement of which the agency is charged.

4. Except as provided in subsection (5) of this section, when the agency proposes to adopt, amend or repeal a rule concerning real estate licensees, the agency shall:
   a. Submit a copy of the proposed rule to the Real Estate Board at least 10 days prior to publication of the notice of intended action required under ORS 183.335 for the rule.
   b. Consider any recommendations that the board, by majority vote, makes concerning the proposed rule.
   c. Publish as part of the statement of need in the matters any written comments submitted by the board for publication under paragraph (b) of this subsection.

5. Subsection (4) of this section does not apply to a temporary rule that is adopted, amended or suspended pursuant to ORS 183.335 (5). However, the agency shall submit to the board a copy of any proposed temporary rule as soon as practicable and, to the extent possible under the circumstances, consider any recommendations that the board may make by majority vote regarding the temporary rule. [1963 c.580 §48; 1965 c.617 §5; 1981 c.617 §16; 1985 c.565 §116; 2013 c.145 §14]

696.390 [Repealed by 1963 c.580 §103]

696.392 Power of commissioner to administer oaths, take depositions and issue subpoenas. (1) The Real Estate Commissioner may administer oaths, take depositions and issue subpoenas to compel the attendance of witnesses and the production of books, papers, records, memoranda or other information necessary to the carrying out of the laws the commissioner is charged with administering.

(2) If any person fails to comply with a subpoena issued under this section or refuses to testify on any matters on which the person may be lawfully interrogated, the procedure provided in ORS 183.440 shall be followed to compel obedience. [1995 c.217 §13]

696.395 Power of commissioner. The Real Estate Commissioner shall have the power to:

1. For the purpose of administration, organize and reorganize, as necessary, the Real Estate Agency in the manner that the commissioner deems necessary to properly conduct the work of the agency.

2. Appoint all subordinate officers and employees of the agency, or such other agents or representatives, and prescribe their duties and fix their compensation, subject to the applicable provisions of the State Personnel Relations Law. Subject to any other applicable law regulating travel expenses, the officers, employees, agents or representatives of the agency shall be allowed
such reasonable and necessary travel and other expenses as may be incurred in the performance of their duties.

(3) Require a fidelity bond or an irrevocable letter of credit issued by an insured institution as defined in ORS 706.008 of any officer or employee of the agency who has charge of, handles or has access to any state money or property, and who is not otherwise required by law to give a bond or letter of credit. The amounts of the bonds or letters of credit shall be fixed by the commissioner, except as otherwise provided by law, and the sureties or letter of credit issuers shall be approved by the commissioner. The agency shall pay the premium on the bonds and the fees for the letters of credit. [1963 c.580 §42; 1977 c.649 §45; 1987 c.414 §38a; 1991 c.331 §105; 1997 c.631 §524]

696.396 Investigation of complaints and progressive discipline; rules. (1) The Real Estate Commissioner shall provide by rule for the progressive discipline of real estate licensees and an objective method for investigation of complaints alleging grounds for discipline under ORS 696.301.

(2) The rules adopted by the commissioner under this section:

(a) Must establish procedures for the discovery of material facts relevant to an investigation and for the reporting of those facts without conclusions of violation or grounds for discipline to the commissioner or the commissioner’s designee by the individual assigned to investigate the complaint.

(b) Must provide for progressive discipline designed and implemented to correct inappropriate behavior.

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

(A) Results in significant damage or injury;

(B) Exhibits incompetence in the performance of professional real estate activity;

(C) Exhibits dishonesty or fraudulent conduct; or

(D) Repeats conduct or an act that is substantially similar to conduct or an act for which the real estate licensee was disciplined previously. [2005 c.393 §5]

696.397 Cease and desist order. (1) If the Real Estate Agency has reason to believe that a person has engaged, is engaging or is about to engage in a violation of ORS 696.020 (2) or 696.603 (1), the agency may, subject to ORS chapter 183, issue an order directing the person to cease and desist from the violation or threatened violation.

(2) A cease and desist order issued under subsection (1) of this section must include:

(a) A statement of the facts constituting the violation.

(b) A provision requiring the person named in the order to cease and desist from the violation.

(c) The effective date of the order.

(d) A notice to the person named in the order of the right to a contested case hearing under ORS chapter 183.

(3) A cease and desist order issued under subsection (1) of this section becomes effective 30 days after the date of the order unless the person named in the order requests a hearing on the order.

(4) A final cease and desist order issued under subsection (1) of this section may be recorded in the County Clerk Lien Record in the manner provided by ORS 205.125 and enforced in the
manner provided by ORS 205.126. After the order is recorded, and subject to any other requirements that may apply to the enforcement remedy sought by the agency, the agency may commence proceedings for the enforcement of the order in the same manner as provided for the enforcement of judgments issued by a court, including contempt proceedings.

(5) The Attorney General, the prosecuting attorney of any county or the agency, in its own name, may maintain an action for an injunction in a court of competent jurisdiction against a person violating ORS 696.020 (2), 696.511 (1) or 696.603 (1). An injunction may be issued without proof of actual damage sustained by any person. An injunction does not relieve a person from criminal prosecution for violation of this section or from any other civil, criminal or disciplinary remedy. [2011 c.557 §1]

Note: 696.397 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 696 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

696.398 Delegation by commissioner to employees; requirements. (1) The Real Estate Commissioner may delegate to any of the officers and employees of the Real Estate Agency to exercise or discharge in the commissioner’s name any power, duty or function vested in or imposed upon the commissioner under this chapter. The power to administer oaths and affirmations, subpoena witnesses, take evidence and require the production of books, papers, correspondence, memoranda, agreements or other documents or records, and to sign notices and orders may be exercised by an officer or employee of the agency only when specified in writing by the commissioner and filed in the records of the Real Estate Agency.

(2) An official act of an individual acting in the commissioner’s name and by authority of the commissioner shall be deemed to be an official act of the commissioner. [1975 c.746 §26; 2007 c.319 §14]

696.400 [Repealed by 1963 c.580 §103]

696.405 Real Estate Board; appointment; term; qualifications; compensation; expenses. (1) The Real Estate Board is established within the Real Estate Agency. The board shall consist of nine members appointed by the Governor to hold office for a period of four years, but to serve at the pleasure of the Governor. Seven members of the board appointed by the Governor must have been, before the date of their appointment, real estate licensees actively engaged for five years in professional real estate activity in this state. Two members to be appointed by the Governor shall not be real estate licensees or have been connected with, or employed by, the Real Estate Agency or a predecessor thereof. In case of a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.

(2) A member of the board is entitled to compensation or expenses as provided in ORS 292.495. [1963 c.580 §43; 1969 c.314 §97; 1975 c.746 §27; 1977 c.649 §46; 1981 c.617 §17; 1987 c.414 §39; 1993 c.744 §250]

696.410 [Repealed by 1963 c.580 §103]

696.415 Changed title to better reflect subject (there is only one officer discussed, the chair, so the title was changed to address selection of the chair).
696.415 Selection of Real Estate Board chairperson. (1) The Real Estate Board shall annually select one of its members as chairperson, who shall preside at the meetings of the board. In the absence of the chairperson some other member of the board may serve as chairperson. The board shall meet at such times and places as determined by the board and may also meet upon call of the chairperson.

(2) A majority of the board shall constitute a quorum for the transaction of business. A vacancy on the board shall not impair the right of the remaining members to perform all the duties and exercise all the functions and authority of the board. [1963 c.580 §45]

696.420 [Repealed by 1963 c.580 §103]

696.425 Powers and duties of board; expenses. (1) The Real Estate Board is authorized to inquire into the needs of the real estate licensees of Oregon, the functions of the Real Estate Agency and the matter of the business policy thereof, to confer with and advise the Governor as to how the agency may best serve the state and the licensees, and to make recommendations and suggestions of policy to the agency as the board may deem beneficial and proper for the welfare and progress of the licensees and of the public and of the real estate business in Oregon.

(2) The board shall make recommendations to the agency about the manner and methods for conducting examinations.

(3) The board shall create or approve a real estate continuing education course for real estate licensees based on recent changes in real estate rule and law.

(4) The expenses of the board shall be paid from moneys available to the agency for payment of administrative expenses relating to the real estate activities of the agency. [1963 c.580 §46; 1969 c.674 §19; 1977 c.649 §47; 1981 c.617 §18; 1987 c.414 §39a; 1993 c.744 §179; 2009 c.502 §8; 2013 c.145 §15]

696.430 Records of commissioner as evidence; records open to inspection; rules. Copies of all records and papers in the office of the Real Estate Commissioner duly certified and authenticated by the seal of the commissioner shall be received in evidence in all courts equally and with like effect as the original. Except for records of open investigations, all records kept in the office of the commissioner under authority of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.970 and 696.995 shall be open to public inspection under such reasonable rules and regulations as shall be prescribed by the commissioner. [Amended by 2001 c.300 §35]

696.435 [1963 c.546 §5; 1965 c.617 §6; repealed by 2001 c.300 §84]

696.440 [Repealed by 1963 c.580 §103]

696.445 Advancement of education and research; Oregon Real Estate News Journal; content as to disciplinary actions. (1) Pursuant to ORS 696.385 (2), the Real Estate Agency shall provide for the advancement of education and research in connection with the educational requirements for the securing of licenses for real estate licensees under ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.995.

(2) The Real Estate Commissioner may assign and reassign staff in the agency to perform such duties as the commissioner considers necessary to carry out subsection (1) of this section, including but not limited to the preparation and distribution of a periodic publication to be
known as the Oregon Real Estate News Journal and the preparation and publication of other
printed or electronic information of an educational nature for the benefit of real estate licensees.

(3) The commissioner shall publish in the Oregon Real Estate News Journal the names and
the city and state of:

(a) Real estate and escrow agent licensees who have been reprimanded;
(b) Real estate and escrow agent licensees whose licenses have been suspended or revoked;
and
(c) Real estate and escrow agent licensees against whom the agency has assessed civil
penalties.

(4) Each publication under subsection (3) of this section must include:

(a) A brief description of the situation involved and the grounds for the commissioner’s
action; or
(b) The complete final order issued by the agency. [1974 c.26 §5; 1975 c.746 §28; 1977
c.649 §48; 1981 c.617 §19; 1983 c.258 §8; 2001 c.300 §64; 2009 c.224 §6; 2013 c.145 §16]

696.450 [Repealed by 1963 c.580 §103]
696.460 [Repealed by 1963 c.580 §103]
696.470 [Repealed by 1963 c.580 §103]
696.480 [Amended by 1977 c.649 §49; repealed by 1981 c.617 §41]

696.490 Real Estate Account; disposition of receipts. (1) There is established in the
General Fund of the State Treasury the Real Estate Account. All moneys, fees and charges
collected or received by the Real Estate Agency shall be deposited in the account.

(2) The moneys in the Real Estate Account are continuously appropriated for the payment of
the expenses of the agency in carrying out the provisions of ORS 92.305 to 92.495, 94.803,
94.807 to 94.945, 100.005 to 100.910, 100.990, 696.010 to 696.785, 696.800 to 696.870 and
696.995. [Amended by 1955 c.457 §2; 1961 c.309 §4; 1963 c.440 §16; 1963 c.580 §50; 1965
c.617 §7; 1971 c.293 §2; 1974 c.26 §1; 1977 c.41 §2; 1981 c.85 §11; 1983 c.17 §30; 1983 c.530
§53; 1985 c.565 §117]

696.495 Revolving fund; amount; use; procedure for repayment. (1) Upon written
request by the Real Estate Agency, the Oregon Department of Administrative Services shall
draw a warrant on the Real Estate Account, established by ORS 696.490, for use as a revolving
fund. Warrants drawn to establish or increase the revolving fund, rather than to reimburse the
revolving fund, may not exceed the aggregate sum of $1,500. The State Treasurer shall hold the
revolving fund in a special account against which the Real Estate Agency may draw checks.

(2) The Real Estate Agency may use the revolving fund for the purpose of paying witness
fees and other administrative expenses.

(3) All claims for reimbursement of moneys paid from the revolving fund are subject to
approval by the Director of the Oregon Department of Administrative Services and by the Real
Estate Commissioner. When such claims have been approved, a warrant covering them shall be
drawn in favor of the Real Estate Agency and used to reimburse the revolving fund. Such
warrants shall be charged against the Real Estate Account established by ORS 696.490. [1974
ESCROWS AND ESCROW AGENTS

(Generally)

696.505 We added a “Business Day” definition as a new subsection (4) at the request of the work group. This definition of Business Day was made after surveying other versions in Oregon law.

696.505 Definitions for ORS 696.505 to 696.590. As used in ORS 696.505 to 696.590:

(1) “Business day” means any day other than Saturday or Sunday or a federal or State of Oregon legal holiday.

(12) “Close an escrow” means the final disbursement of all funds, property and documents in an escrow as directed by written escrow instructions from the principals.

(23) “Collection escrow” means an escrow in which the escrow agent:

(a) Receives:
   (A) Installment payments;
   (B) Instruments evidencing or securing an obligation; or
   (C) Instruments discharging the security interest; and

(b) Disburses the payments or delivers the instruments upon specified conditions pursuant to the written instructions of an obligor and obligee.

(34) “Compensation” means a fee, commission, salary, money or valuable consideration for services rendered or to be rendered as well as the promise thereof and whether contingent or otherwise.

(45) “Escrow” means a transaction in which any written instrument, money, evidence of title to real or personal property or other thing of value is delivered, for the purpose of paying an obligation or effecting the sale, transfer, encumbrance or lease of real or personal property, to a person not otherwise having any right, title or interest therein, to be held by that person as a neutral third party until the happening of a specified event or the performance of a prescribed condition, when it is then to be delivered by the neutral third party to a grantee, grantor, promisee, promisor, obligee, obligor, bailee, bailor or any agent or employee of any of them pursuant to the written instructions of the principals to the transaction.

(56) “Escrow agent” means a person who engages in the business of receiving escrows for deposit or delivery and who receives or is promised compensation, whether contingent or otherwise, for or in anticipation of performance.

(67) “Escrow trust account” means a bank account that meets all of the following requirements:

(a) Is kept separate, distinct and apart from funds belonging to the escrow agent;
(b) Is designated as an escrow trust account; and
(c) Is used to deposit trust funds received by an escrow agent on behalf of a principal.

(78) “Principal” means:

(a) The buyer, seller, lessor, lessee or exchanging party in an escrow transaction involving the sale, lease, lease-option or exchange of real property or personal property;
(b) The borrower in an escrow transaction involving the refinancing of real property or personal property, including but not limited to the refinancing of an obligation secured by a land sale contract requiring a deed to be delivered as part of the refinancing;
(c) The buyer, seller, lender, borrower, vendor or vendee in a collection escrow;
(d) A person directing the escrow agent to hold back funds from a closing escrow for payment of obligations related to the closing or the financing of real property or personal property;
(e) A person who deposits funds, property or documents in a one-sided escrow, as defined by rule of the Real Estate Commissioner; or
(f) A subservicer.

(89) “Real estate closing escrow” means an escrow in which:
(a) The escrow fee is paid in whole or in part by the principals to a real estate transaction; and
(b) The unpaid purchase price is delivered to an escrow agent for disbursal pursuant to the written instructions of the principals to the transaction simultaneously on the transfer of specified title to the real property.

(910) “Subservicer” means an escrow agent, a financial institution or a trust company, as those terms are defined in ORS 706.008, or a collection agency registered under ORS 697.015 when providing, pursuant to written instructions, a portion of the escrow services for an escrow to an escrow agent, or a person in the business of receiving escrows under the laws of another state, that would otherwise provide the escrow services directly to the principals.

(4011) “Trust funds” means funds held by an escrow agent on behalf of a principal. [1963 c.440 §1; 1977 c.351 §4; 1981 c.617 §20; 1991 c.874 §1; 1993 c.18 §150; 2003 c.427 §4; 2005 c.116 §23; 2007 c.337 §2; 2009 c.174 §1]

696.508 Legislative finding; short title. (1) The Legislative Assembly finds the activity of escrow agents in handling large sums of money and important rights of clients to be of public concern. In order to permit uniform and equitable regulation of all escrow agents and to improve the standards of escrow conduct, the provisions of ORS 696.505 to 696.590 shall be construed to grant the Real Estate Commissioner authority to protect the public.

(2) ORS 696.505 to 696.590 may be cited as the Oregon Escrow Law. [1977 c.351 §2]

696.510 [Repealed by 1961 c.309 §6]

(Licensing)

696.511 License requirement; licensing system; rules. (1) A person may not directly or indirectly engage in or carry on, or purport to engage in or carry on, within this state, the business of an escrow agent, or act in the capacity of an escrow agent, unless the person holds an active license as an escrow agent under the provisions of ORS 696.505 to 696.590.

(2)(a) The Real Estate Commissioner shall establish by rule a system for licensing escrow agents. The system shall establish, at a minimum, the following:
(A) The form and content of applications for initial licensing and license renewal.
(B) The requirements for submitting surety bonds under ORS 696.525 or evidence of deposits in lieu of a bond under ORS 696.527.
(C) The form and content of applications for changes in any of the following:
(i) Ownership interest in an escrow agent.
(ii) Corporate officers in charge of escrow operations for an escrow agent.
(iii) Other individuals in charge of escrow operations for an escrow agent.
(D) Schedules and procedures for issuing and renewing licenses.
(E) Schedules and procedures for approving changes in ownership interest in an escrow agent, changes in corporate officers in charge of escrow operations or changes in other individuals in charge of escrow operations.
(F) The term of a license.
(G) The requirements for an escrow agent to notify the Real Estate Agency of changes in the information contained in an application, including but not limited to office location changes, branch office establishment, office closure and business operations cessation.
(H) The requirements for an applicant that is not an individual to provide a certificate of existence or similar documentation.
(b) If an applicant for a license as an escrow agent is an individual, the applicant must be 18 years of age or older.
(3) For the initial license of an escrow agent, the commissioner may require information and evidence the commissioner considers necessary to demonstrate the applicant’s qualifications to transact escrow business including, but not limited to, information regarding the applicant’s financial resources, the applicant’s escrow business in another state or the experience or training of employees in escrow business, or a testimonial of an escrow agent licensed in this state.
Subject to subsection (4) of this section, an applicant:
(a) Who is an individual must demonstrate a minimum of three years of experience in the administration of escrows within Oregon or a state with comparable escrow laws; or
(b) Who is not an individual must demonstrate a minimum collective experience among its personnel of three years in the administration of escrows within Oregon or a state with comparable escrow laws.
(4) The commissioner may waive the three-year experience requirement in subsection (3) of this section for an applicant who demonstrates other qualifications sufficient to ensure the protection of the public.
(5)(a) For the purpose of this subsection, an escrow agent that is not an individual may satisfy the requirements for fingerprints and a criminal records check by providing the fingerprints of and conducting a criminal records check on an individual who:
(A) Has more than five percent ownership interest in the escrow agent;
(B) Is a corporate officer in charge of escrow operations for the escrow agent; or
(C) Is in charge of escrow operations for the escrow agent.
(b) For an initial escrow agent license, the commissioner shall require fingerprints and a state or nationwide criminal records check under ORS 181.534 of the applicant. The commissioner may require additional information from the applicant that the commissioner considers necessary for protecting the public.
(c) For license renewal as an escrow agent, the commissioner may require fingerprints and a state or nationwide criminal records check under ORS 181.534 of the applicant. The commissioner may require additional information from the applicant that the commissioner considers necessary for protecting the public.
(d) For a change in individuals who will have ownership interest in an escrow agent, the individuals who will be corporate officers in charge of escrow operations or any other individuals who will be in charge of escrow operations, the commissioner shall require
fingerprints and a state or nationwide criminal records check under ORS 181.534 of the individuals who will have the ownership interest or who will be in charge. The commissioner may require additional information from the individuals that the commissioner considers necessary for protecting the public.

(6) For license renewal, an applicant that is an escrow agent shall provide:
(a) A certification of training, by which the applicant certifies that the applicant provides escrow agency staff within Oregon with an average of six hours or more of training per year per permanent, full-time employee in subjects that bear directly on the administration of escrows;
(b) A statement identifying by name, address and telephone number one or more individuals who can respond to the inquiries of or referrals by the commissioner or the commissioner’s authorized representative regarding the applicant’s escrow business; and
(c) Other documents and information that the commissioner may require by rule.
(7) The commissioner shall issue or renew an escrow agent license, approve a change in ownership interest in an escrow agent, approve a change in corporate officers in charge of escrow operations of the escrow agent or approve a change in any other individuals in charge of escrow operations of the escrow agent for an applicant that complies with the requirements of ORS 696.505 to 696.590 and the rules adopted under ORS 696.505 to 696.590.
(8) To qualify for issuance or renewal of an escrow agent license, an applicant shall pay any outstanding civil penalties or other moneys due and owing to the Real Estate Agency except civil penalties or other moneys due that are the subject of judicial or administrative review on the date of the application for license or license renewal. [1963 c.440 §§4,17; 1975 c.746 §29; 1977 c.351 §5; 1981 c.617 §21; 1991 c.874 §2; 2001 c.300 §36; 2003 c.427 §5; 2005 c.730 §§38,86; 2007 c.319 §15; 2009 c.174 §2]

696.515 [1963 c.440 §3; repealed by 1981 c.617 §41]

696.520 Correction as the definitions in 696.505 were renumbered.

696.520 Application of ORS 696.505 to 696.590. The provisions of ORS 696.505 to 696.590 do not apply to and the term “escrow agent” does not include:
(1) Any person doing business under the laws of this state or the United States relating to banks, mutual savings banks, trust companies, savings and loan associations, consumer finance companies, or insurance companies except to the extent that the person provides real estate closing escrow services other than those permitted under subsection (3) of this section.
(2) An attorney at law rendering services in the performance of duties as attorney at law.
(3) Any firm or corporation lending money on real or personal property and which firm or corporation is subject to licensing, supervision or auditing by a federal or state agency but only to the extent of closing a loan transaction between such firm or corporation and a borrower, and seller, if a fee for escrow services is not charged to the seller.
(4) Any person doing any of the acts specified in ORS 696.505 (45) under order of any court.
(5) Any real estate broker or principal real estate broker licensed under ORS 696.022 who performs the closing for the principals in a real estate transaction handled by the broker, if the principals are not charged a separate fee for escrow services.
(6) Any collection agency registered under ORS 697.015 that is engaged in any collection or billing activity without holding documents relating to the debt. [1963 c.440 §2; 1967 c.359 §701; 1971 c.398 §1; 1977 c.351 §6; 1981 c.617 §22; 1991 c.874 §3; 2001 c.300 §37; 2003 c.427 §6;
2007 c.337 §7]

696.523 Application of ORS 696.505 to 696.590 to title insurance activities. The provisions of ORS 696.505 to 696.590 apply to those escrow activities of a title insurance company, or an insurance producer of a title insurance company which prepares abstracts or makes searches of title which are used as a basis for the insurance of titles by a title insurance company. [1971 c.398 §3; 1977 c.351 §7; 2003 c.364 §55]

696.525 Bond for escrow agents. (1) At the time of filing an application for an escrow agent license, the applicant shall deposit with the Real Estate Commissioner a corporate surety bond running to the State of Oregon, executed by a surety company satisfactory to the commissioner, in the amount required by this section.

(2) If the total annual receipts of client trust funds, as reported in the required annual report of the escrow agent, are:
(a) Less than $30 million, the bond or deposit must be $50,000.
(b) $30 million or more, but less than $60 million, the bond or deposit must be $125,000.
(c) $60 million or more, but less than $100 million, the bond or deposit must be $250,000.
(d) $100 million or more, but less than $300 million, the bond or deposit must be $375,000.
(e) $300 million or more, the bond or deposit must be $500,000.

(3) The provisions of the corporate surety bond must be in the form substantially as follows:

Know All Persons by These Presents, That we, ______ as principal, and______, a corporation, qualified and authorized to do business in the State of Oregon as surety, are held and firmly bound unto the State of Oregon for the use and benefit of any interested person, in the sum of $______, lawful money of the United States of America, to be paid to the State of Oregon for the use and benefit aforesaid, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

The condition of the above obligation is such that: Whereas the above-named principal has made application for registration as an escrow agent within the meaning of ORS 696.505 to 696.590 and is required by the provisions of ORS 696.505 to 696.590 to furnish a bond in the sum above named, conditioned as herein set forth:

Now, therefore, if the principal, the principal’s agents and employees, shall strictly, honestly and faithfully comply with the provisions of ORS 696.505 to 696.590, and shall pay all actual damages suffered by any person by reason of the violation of any of the provisions of ORS 696.505 to 696.590, now or hereafter enacted, or by reason of any fraud, dishonesty, misrepresentation or concealment of material facts growing out of any transaction governed by the provisions of ORS 696.505 to 696.590, then this obligation shall be void; otherwise to remain in full force and effect.

This bond shall become effective on the ___ day of______, 2__, and shall remain in force until the surety is released from liability by the commissioner, or until this bond is canceled by the surety. The surety may cancel this bond and be relieved of further liability hereunder by giving 30 days’ written notice to the principal and to the commissioner.

This bond shall be one continuing obligation, and the liability of the surety for the aggregate of any and all claims which may arise hereunder shall in no event exceed the amount of the penalty hereof.
In witness whereof, the seal and signature of the principal hereto is affixed, and the corporate seal and the name of the surety hereto is affixed and attested by its duly authorized officers at_______, Oregon, this ___ day of__________, 2___.

__________________(Seal)
Principal
By __________________
______________________________________________________________________________

__________________(Seal)
Surety
By __________________


696.527 Deposits in lieu of bond; payment of claims; waiver. (1) Any escrow agent may satisfy the requirements of ORS 696.525 by depositing with the State Treasurer, in an amount equal to the surety bond required, a deposit consisting only of the following:
(a) Cash;
(b) Ample secured obligations of the United States, a state or a political subdivision thereof;
(c) Certificates of deposit, assignments of certificates of deposit or other investments described in ORS 733.650 (4), to the extent that such investments are insured by the Federal Deposit Insurance Corporation;
(d) A certified, annually renewable letter of credit executed by a financial institution and satisfactory to the Real Estate Commissioner in the amount of the surety bond required by ORS 696.525; or
(e) Any combination of paragraphs (a), (b), (c) and (d) of this subsection.
(2) The State Treasurer shall accept and hold the deposit for the faithful performance of escrow activity by the escrow agent. No claimant or judgment creditor or the escrow agent shall have the right to attach or levy upon any of the assets or securities held on deposit.
(3) The commissioner, by order, may authorize the State Treasurer to use such deposit, as follows:
(a) To satisfy any final judgment entered against the escrow agent for actual damages suffered by any person by reason of the violation of any of the provisions of ORS 696.505 to 696.590, now or hereafter enacted, or by reason of any fraud, dishonesty, misrepresentation or concealment of material fact growing out of any escrow transaction;
(b) For use in the liquidation of the escrow agent under the provisions of ORS 696.555; or
(c) To release any or all of such deposit to the escrow agent when, in the opinion of the commissioner, such deposit is no longer necessary to protect the public.
(4) The commissioner may waive the requirement of the surety bond or deposit for any escrow agent that:
(a) Demonstrates to the commissioner’s satisfaction that the capital and surplus or net worth, of such escrow agent as of the end of the previous business accounting year of the agent is equal to, or greater than, the average month-end balance of custodial funds held by such agent during the previous business accounting year; or
(b) Provides a certified, personal guarantee executed by one or more owners of the escrow agency and satisfactory to the commissioner in the amount of the surety bond required by ORS 696.525.
(5) All other claims against the bond or deposit of an escrow agent must be paid by the
commissioner only upon the receipt of a final court judgment against the escrow agent and only in the amount of actual damages as ordered by the court. [1977 c.351 §3; 1981 c.617 §24; 1991 c.874 §5; 1999 c.107 §11; 2003 c.427 §8; 2009 c.174 §4]

696.530 Was changed to reflect that the agency does not issue a paper license (and therefore no duplicate copies) and to change fees.

696.530 Expiration and renewal of license; fees; rules. (1) The license of an escrow agent expires on the June 30 after the date of issuance or on a date specified by rule of the Real Estate Commissioner. A license may be renewed as prescribed by rule of the commissioner, which may include paying any required fees.

(2) The filing fees are:
   —(a) For filing an original or a renewal application, $300-450 for the main office and $150-225 for each branch office.
   —(b) For filing an application for a duplicate copy of a license, upon satisfactory showing of loss of the license, the sum of $20.
   —(c) For a name change or a change of address of an escrow agent, $10 for the main office plus $10 for each affected branch office.

(3) The commissioner, by rule, may provide an opportunity for the late renewal of an expired escrow agent license by an applicant who fails to renew the license by the date specified under subsection (1) of this section. [1963 c.440 §6; 1977 c.351 §9; 1977 c.873 §19; 1981 c.617 §25; 1991 c.874 §14; 1997 c.451 §2; 2003 c.427 §9; 2005 c.116 §11; 2007 c.225 §1; 2007 c.768 §54a; 2009 c.174 §5]

696.532 Limited license. (1) The Real Estate Commissioner may issue or renew a limited escrow agent license if the commissioner determines it is in the public interest.

(2) The commissioner may limit a license issued under this section:
   (a) By term;
   (b) To activities subject to supervision by a specific escrow agent;
   (c) By conditions to be observed in the exercise of the privileges granted; or
   (d) In other ways determined by the commissioner as necessary or appropriate to protect the public.

(3) A limited licensee must comply with the limitations of the license and the requirements of ORS 696.505 to 696.590 and rules adopted under ORS 696.505 to 696.590. [2003 c.427 §2; 2009 c.174 §6]

Note: 696.532 and 696.534 were added to and made a part of 696.505 to 696.590 by legislative action but were not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

696.534 Records of escrow agents; rules. (1) An escrow agent shall keep and maintain at all times in the licensed office of the agent, complete and suitable records of escrow transactions made by the agent and of the business of the agent including, but not limited to, books, papers and data clearly reflecting the financial condition of the business of the agent. The records must be open for inspection by the Real Estate Commissioner or the commissioner’s authorized representatives at all times. An escrow agent shall keep escrow records for a period of six years
from the date the escrow closes or is terminated. An escrow agent may maintain the records in
any format, as determined by the commissioner by rule, that allows for inspection and copying
by the commissioner or the commissioner’s representatives. When an escrow agent acts as a
subservicer for another escrow agent, the subservicer shall keep its records in the manner
required for an escrow agent under this section.

(2) Notwithstanding the requirement of subsection (1) of this section that an escrow agent
maintain escrow records in the agent’s licensed office, an escrow agent shall keep escrow
records in the office in which the transaction occurred for one year from the date the escrow
closes or is terminated.

(3) Notwithstanding the requirements of subsections (1) and (2) of this section to maintain
escrow records in specified locations, an escrow agent may maintain escrow records at another
location satisfactory to the commissioner if the escrow agent provides the commissioner with
prior written notice of the proposed location. [2003 c.427 §3]

Note: See note under 696.532.

696.535 Grounds for refusing, suspending or revoking license or reprimanding licensee.
(1) The Real Estate Commissioner may suspend or revoke the license of an escrow agent,
reprimand an escrow agent who is licensed, refuse to issue an escrow agent license to an
applicant or refuse to renew the license of an escrow agent, if the escrow agent or applicant:

(a) Is insolvent under generally accepted accounting principles;

(b) Demonstrated untrustworthiness or incompetence to transact the business of an escrow
agent;

(c) Failed to conduct business in accordance with law or violated any provision of ORS
696.505 to 696.590 or any rule adopted under ORS 696.505 to 696.590;

(d) Committed fraud in connection with any transaction governed by ORS 696.505 to
696.590 or the rules adopted under ORS 696.505 to 696.590;

(e) Made any misrepresentations or false statement of an essential or material fact to, or
concealed any essential or material fact from, any person in the course of the escrow business;

(f) Knowingly made or caused to be made to the commissioner any false representation of a
material fact, or suppressed or withheld from the commissioner any information the applicant or
licensee possesses that, if submitted, would have disqualified the applicant or licensee from
original or renewed licensing under ORS 696.505 to 696.590 or rules adopted under ORS
696.505 to 696.590;

(g) In a real estate transaction, failed to account to the principals or persons entitled to an
accounting of the funds, property or documents or other things of value received in the
transaction;

(h) Failed to deliver within a reasonable time to persons entitled to receive funds, property or
documents or other things of value held or agreed to be delivered by the licensee, as and when
paid for and due to be delivered;

(i) Caused uncompensated material loss to principals by engaging in a pattern of failures to
act with neutrality between principals in multiple escrows;

(j) Refused to permit the commissioner to examine the escrow agent’s books and affairs, or
refused or failed, within a reasonable time, to furnish any information, records or files or make
any report that may be required by the commissioner under the provisions of ORS 696.505 to
696.590 or rules adopted under ORS 696.505 to 696.590;
(k) Has been convicted of a crime that is substantially related to the escrow agent’s competency or trustworthiness to engage in the business of an escrow agent;

(L) Committed an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or licensee to conduct the activities of an escrow agent, without regard to whether the act or conduct occurred in the course of escrow activity; or

(m) Failed to maintain a surety bond required under ORS 696.525 or other surety required under ORS 696.527.

(2) It is sufficient cause for refusal or revocation of a license in case of a partnership or corporation or any unincorporated association, if any member of a partnership or any officer or director of the corporation or association has been guilty of any act or omission which would be cause for refusing or revoking the registration of an individual agent. [1963 c.440 §7; 1971 c.734 §159; 1977 c.351 §10; 1981 c.617 §26; 1985 c.399 §3; 1991 c.874 §6; 1995 c.760 §5; 1997 c.812 §1; 2001 c.300 §38; 2003 c.427 §10; 2009 c.174 §7]

696.540 [1963 c.440 §8; repealed by 1977 c.351 §11 and 1977 c.842 §17 (696.541 enacted in lieu of 696.540)]

696.541 Authority of commissioner over escrow agents; rules. (1) The Real Estate Commissioner shall have general supervision and control over all escrow agents doing business in this state. Subject to ORS chapter 183, the commissioner may adopt such rules as reasonably necessary for the administration and enforcement of ORS 696.505 to 696.590.

(2) All escrow agents are subject to audits or examinations by the commissioner, or the commissioner’s authorized representatives at any time the commissioner considers advisable. The commissioner may collect from each escrow agent the reasonable expenses of such audit or examination including but not limited to any administrative expense for travel.

(3) The provisions of this section and of any other section relating to the examination of the affairs of an escrow agent shall extend to an escrow agent whose license has expired or been revoked or suspended, if in the judgment of the commissioner, such agent has violated any provisions of ORS 696.505 to 696.590. [1977 c.351 §12 (enacted in lieu of 696.540); 1981 c.617 §27; 1985 c.399 §4; 1991 c.874 §7; 2001 c.300 §39; 2003 c.427 §11]

(Enforcement)

696.545 Investigation; injunction; jurisdiction. (1) The Real Estate Commissioner may investigate either upon complaint or otherwise whenever it appears that an escrow agent has violated ORS 696.505 to 696.590 or that any person is engaging in the escrow business without being licensed under the provisions of ORS 696.505 to 696.590.

(2) If upon investigation it appears that such agent is so conducting business the commissioner may, in addition to any other remedies, bring action in the name and on behalf of the State of Oregon against such person and any other person acting in violation of ORS 696.505 to 696.590, to enjoin such person and such other person from continuing any act in violation of ORS 696.505 to 696.590.

(3) The circuit court of any county of this state is vested with jurisdiction to restrain illegal practices or transactions and may grant injunctions to prevent and restrain such illegal practices or transactions, in addition to the penalties and other remedies provided in ORS 696.505 to 696.590. The court shall have power, during the pendency of the proceedings before it to issue
such preliminary restraining orders as may appear to be just and proper; and the findings of the commissioner shall be deemed to be prima facie evidence and sufficient ground, in the discretion of the court, for the issue ex parte of a preliminary restraining order.

(4) In any such court proceedings the commissioner may apply for and on due showing be entitled to have issued the court’s subpoena requiring forthwith the appearance of any defendant and employees of the defendant and the production of documents, books and records as may appear necessary for the hearing of such petition, to testify and give evidence concerning the acts or conduct or things complained of in such application for injunction. [1963 c.440 §9; 1979 c.284 §194; 1981 c.617 §28; 1991 c.874 §8]

696.550 [1963 c.440 §10(1), (2); repealed by 1971 c.734 §21]

696.555 Commissioner to take possession of property and assets of escrow agent when assets or capital impaired; appointment of receiver. (1) When the Real Estate Commissioner ascertains by examination or otherwise that the assets or capital of any agent are impaired, as described in ORS 696.535 (1)(a), the commissioner may immediately take possession of all the property, business and assets of the agent which are located in this state and retain possession of them pending the further proceedings specified in this section.

(2) Pursuant to subsection (1) of this section, the commissioner may apply to the circuit court of the county in which the agent’s principal place of business is located for an order directing the agent to show cause why a receiver should not be appointed to take charge of and manage or liquidate if necessary the assets of the agent utilized in professional escrow activity in such a manner as to prevent or minimize such financial loss to others.

(3) If the court is satisfied from reading the commissioner’s petition that the facts therein alleged, if established, warrant such receivership action, the court shall issue such order to show cause. The court may at such time, without notice, issue a temporary injunction restraining such agent, or any of the agent’s officers, directors, stockholders, members, agents or employees, from the transaction of any professional escrow activity, or the waste or disposition of any such assets until further order of the court. Should such an injunction be issued, a hearing on whether the injunction shall be continued shall be held within five business days of its service.

(4) On return of the order to show cause, and after a full hearing, the court shall either deny the application or grant the same, together with such other relief as the court may deem necessary.

(5) Notwithstanding any other provision of law, no bond shall be required of the commissioner or the commissioner’s authorized representatives as a prerequisite for the issuance of any injunction or other order pursuant to this section.

(6) At any time during such proceedings, the agent may satisfy the court that the activity which prompted such proceedings has been rectified or that financial loss to others no longer will likely occur, in which case the court may dismiss such proceedings.

(7) The expenses of the receiver, compensation of the legal counsel of the receiver, as well as all expenditures of the receiver required in such proceedings shall be fixed by the court and shall be paid out of funds in the hands of the receiver or entered as a judgment against such licensee. [1963 c.440 §10(3),(4); 1975 c.746 §30; 1981 c.617 §29; 1991 c.874 §9; 2001 c.300 §40]

696.560 [1963 c.440 §11; 1975 c.746 §31; 1981 c.617 §30; 1985 c.589 §5; renumbered 696.578]
696.565 [1963 c.440 §12; renumbered 696.579]

696.570 Hearings procedure under ORS 696.505 to 696.590; subpoena. (1) All hearings before the Real Estate Commissioner or the commissioner’s authorized representative conducted under the authority of ORS 696.505 to 696.590 shall be conducted in accordance with the provisions of ORS chapter 183.

(2) The commissioner, or anyone authorized by the commissioner, shall have the power to subpoena witnesses and administer oaths in connection with hearings in the enforcement of ORS 696.505 to 696.590. [1963 c.440 §13; 1981 c.617 §30a]

696.575 Civil or criminal actions not limited by ORS 696.505 to 696.590. Nothing in ORS 696.505 to 696.590 shall limit any statutory or common law right of any person to bring any action in any court for any act involved in the transaction of the escrow business or the right of the state to punish any person for any violation of any law. [1963 c.440 §14]

696.577 Commissioner’s order against unlicensed agent. Whenever the Real Estate Commissioner finds that any person is offering to engage in or engaging in the business of an escrow agent without a license as an escrow agent as required under ORS 696.505 to 696.590, the commissioner may order the person to cease and desist from offering to engage in or engaging in the business of an escrow agent. Any proceeding under this section is subject to the requirements of ORS chapter 183. [1981 c.617 §36]

(Escrow Property)

696.578 Deposit and designation of funds held in escrow; treatment of earnings on escrow account; notice. (1) All funds received by an escrow agent to be delivered upon the close of the escrow or upon any other contingency are trust funds that must be deposited and maintained in a bank authorized to do business within this state. The funds must be deposited in a federally insured account designated as an escrow trust account and kept separate, distinct and apart from funds belonging to the escrow agent. The designation of an account as an escrow trust account indicates that the funds are not the funds of the escrow agent.

(2) Trust funds received by an escrow agent may be placed by the agent in a federally insured interest-bearing bank account, designated as an escrow trust account, but only with the prior written approval of all parties having an interest in the trust funds. The earnings of the interest-bearing account may inure to the benefit of the escrow agent if expressly approved in writing before deposit of the trust funds by all parties having an interest in the trust funds.

(3) With prior written notice to all parties who have an interest in the trust funds, an escrow agent may place trust funds received by the escrow agent in a federally insured interest-bearing bank account that is designated as an escrow trust account and the earnings of which inure to the benefit of a public benefit corporation, as defined in ORS 65.001, for distribution to organizations and individuals for first-time homebuying assistance and for development of affordable housing. The escrow agent shall select a qualified public benefit corporation to receive the interest earnings.

(4) Any bank services, as defined by rule by the Real Estate Commissioner, provided to the escrow agent may not be considered to affect the impartiality or neutrality of the escrow agent.
Such services are permitted with approval in the written closing instructions of the principals.

(5) Trust funds may be invested in secured obligations of the United States, if:
   (a) The depositing principal gives prior written approval to the escrow agent for such investment after receiving written disclosure as may be required by rule adopted by the commissioner;
   (b) The depositing principal releases the escrow agent from any liability for loss of the trust funds;
   (c) The depositing principal agrees that any loss of trust funds may not be a claim against the bond, deposit or personal guarantee of the agent under ORS 696.525 and 696.527; and
   (d) The escrow agent does not have any interest in the investment or earnings from the investment.

(6) If the trust funds to be invested represent earnest money in a transaction, both principals in the transaction must give prior written approval for the investment and are both considered depositing principals. [Formerly 696.560; 1991 c.874 §10; 2003 c.224 §2; 2003 c.427 §12; 2009 c.174 §10]

696.579 Funds exempt from execution or attachment; designation of funds. (1) Escrow or trust funds are not subject to execution or attachment on any claim against the escrow agent.

(2) No person shall knowingly keep or cause to be kept any funds or money in any bank under the heading of “trust funds” or “escrow accounts” or any other name designating such funds or money as belonging to the clients of any escrow agency, except actual escrow or trust funds deposited with such agency. [Formerly 696.565]

696.580 [1963 c.440 §15; repealed by 1973 c.794 §34]

696.581 Written escrow instructions or agreement required; statement; instructions containing blank prohibited; one-sided escrow; exceptions. (1) An escrow agent may not accept funds, property or documents in any escrow transaction without dated, written escrow instructions from the principals to the transaction or a dated executed agreement in writing between the principals to the transaction.

(2) Except as provided in this section, an escrow agent must follow dated, written escrow instructions executed by the principals or a dated executed written agreement between the principals to a transaction.

(3) Except as provided in ORS 314.258, an escrow agent may not close an escrow or disburse any funds or property in an escrow without obtaining dated, separate escrow instructions in writing from the principals to the transaction adequate to administer and close the transaction or, in the case of disbursement, to disburse the funds and property.

(4) The following statement or its substantial equivalent shall appear on or be attached to all written escrow instructions prepared by an escrow agent for signature of the principals to a transaction. The statement shall be in at least 10-point bold type. The statement shall either appear immediately above the signatures of the principals or be separately initialed by the principals:

____________________________________________________________________________

It is understood by the parties signing the above or attached instructions that the instructions are the complete instructions between this firm as an escrow agent and you as a principal to the escrow transaction. These instructions may not include all the terms of the agreement which is
the subject of this escrow. Read these instructions carefully, and do not sign them unless they are acceptable to you.

(5) An escrow agent may not solicit or accept any original, amended or supplemental escrow instructions containing any blank to be filled in after signing. An escrow agent may not allow any alteration of original, amended or supplemental escrow instructions, unless the alteration is signed or initialed by all principals who signed or initialed the instructions before the alteration.

(6) An escrow agent may accept trust funds, in excess of earnest money required in transaction documents to be held, as individual funds of the principal who has paid them into escrow. Such individual trust funds may be disbursed with only the separate written instructions of the principal who deposited the funds into escrow.

(7) An escrow agent may open a one-sided escrow, as defined by rule by the Real Estate Commissioner, by receiving the funds, property or documents for an escrow. Such escrow funds may be disbursed with only the separate written instructions of the principal who deposited the funds into escrow.

(8) Except as authorized in ORS 105.475, notwithstanding the requirement for dated, separate escrow instructions to close an escrow or disburse funds or property in an escrow, an escrow agent:
   (a) May disburse earnest money deposited based on an agreement of the parties executed after the initial sales agreement; and
   (b) May not impose additional requirements on the principals to the transaction, including a requirement that the principals sign a release of liability in favor of the escrow agent.

(9) Notwithstanding any provision of this section, an escrow agent may disburse funds, property or documents deposited in escrow in accordance with an order of a court of competent jurisdiction. [1985 c.399 §2; 1991 c.874 §11; 2007 c.289 §1; 2008 c.54 §2; 2009 c.174 §11]

696.582 Removed reference to “real estate broker”, as that reference was meant for application to sole practitioners. The work group objected to the proposed changes (except for the addition to the title). All of the previous changes made to the body of the statute were removed, except the change to (3) as this is appropriate because the disbursement may not be made to a broker.

696.582 Escrow agent to hold certain compensation; conditions; notice of real estate compensation demand; disbursement of money; copy of notice to principal. (1) An escrow agent shall hold, as provided in subsection (3) of this section, the amount of money or other property agreed to as compensation in a written real estate broker’s or principal real estate broker’s compensation agreement, if the escrow agent has at the office at which the escrow is being closed, before the date of closing:
   (a) A written notice of compensation, signed by the real estate broker or principal real estate broker who is authorized under rules adopted by the Real Estate Commissioner to enter into the compensation agreement and sign the written notice of compensation, in substantially the form set out in subsection (2) of this section; and
   (b) The written closing instructions of the principals which do not honor the amount and terms of payment in the notice of compensation.

(2) The notice of compensation required by subsection (1) of this section may not be incorporated into any document of agreement between the principals or between the broker and a
Notice of Real Estate Compensation

To: ____________
(Name of Escrow Company)

Re: ____________
(Names of Principals to Transaction)

Your Escrow Number: ______

The undersigned real estate broker or principal real estate broker states that such broker has a valid written compensation agreement with ______ (Name of Principal), one of the principals to the transaction referred to above, and that such principal is obligated to pay the broker the compensation on account of that transaction. The compensation amount is $_____ and is to be paid on the following terms: ___________. Request is hereby made that the compensation be paid in that amount and on those terms, out of escrow and as a part of your closing of that transaction.

________________________________________
(Name and Signature of Real Estate Broker or Principal Real Estate Broker)

(3) An escrow agent in a transaction described in subsection (1) of this section may only disburse the moneys or other property to:

(a) The broker principal real estate broker and principal, based upon a written agreement between those parties and directed to the escrow agent as disbursement instructions;

(b) Any persons, as directed by order of a court of competent jurisdiction; or

(c) The court, upon filing by the escrow agent of an interpleader action for the moneys or property.

(4) If the filing of a notice of compensation with an escrow agent under subsection (1) of this section is made more than 10 days prior to the scheduled closing date, the real estate broker or principal real estate broker filing the notice shall deliver a copy of the notice to the principal identified in the notice. If the notice is filed within 10 days of the scheduled closing date, a copy of the notice shall be provided by the escrow agent to the principal identified in the notice at the time of closing. [1985 c.449 §2; 2001 c.300 §41; 2007 c.337 §1]

(Civil Penalties)

696.585 Civil penalties. (1) Any person who violates any provision of ORS 696.505 to 696.590, or any lawful rule or final order of the Real Estate Commissioner or any final judgment made by any court upon application of the commissioner, may be required to forfeit and pay to the General Fund of the State Treasury, a civil penalty in an amount determined by the commissioner of not more than $3,000 for each offense. Each violation shall be deemed a separate offense.

(2) In addition to the civil penalty set forth in subsection (1) of this section, any person who violates any provision of ORS 696.505 to 696.590, any lawful rule or final order of the commissioner or any final judgment made by a court upon application to the commissioner, may
be required to forfeit and pay to the General Fund of the State Treasury, a civil penalty in an amount determined by the commissioner but not to exceed the amount by which such person profited in any transaction that violates any such provision, rule, order or judgment.

(3) Civil penalties under this section shall be imposed in the manner provided by ORS 183.745.

(4) The provisions of this section are in addition to and not in lieu of any other enforcement provision contained in ORS 696.505 to 696.590. [1975 c.746 §32; 1981 c.617 §31; 1983 c.696 §26a; 1989 c.706 §24; 1991 c.734 §85; 1991 c.874 §12; 2003 c.427 §13; 2003 c.576 §544; 2009 c.174 §8]

696.590 Penalty amounts. (1) Any person who violates ORS 696.511 (1) may be required by the Real Estate Commissioner to forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined by the commissioner of:

(a) Not less than $500 nor more than $1,000 for the first offense of unlicensed professional escrow activity; and

(b) Not less than $1,000 nor more than $3,000 for the second and subsequent offenses of unlicensed professional escrow activity.

(2) In addition to the civil penalty set forth in subsection (1) of this section, any person who violates ORS 696.511 may be required by the commissioner to forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined by the commissioner but not to exceed the amount by which such person profited in any transaction which violates ORS 696.511.

(3) Civil penalties under this section must be imposed in the manner provided in ORS 183.745.

(4) The civil penalty provisions of subsections (1) and (2) of this section are in addition to and not in lieu of the criminal penalties for unlicensed professional escrow activity in ORS 696.990 (1) and (2). [1991 c.874 §17; 2003 c.427 §14]

REAL ESTATE MARKETING

696.600 Definitions for ORS 696.392, 696.600 to 696.785 and 696.995. As used in ORS 696.392, 696.600 to 696.785 and 696.995:

(1) “Employee” includes an individual who has an independent contractual relationship with a real estate marketing organization and performs real estate marketing activity.

(2) “Real estate marketing activity” means procuring or offering to procure prospects to purchase, sell, lease or rent real estate by telemarketing, mail or otherwise.

(3) “Real estate marketing organization” means any person, including a partnership, association, corporation, limited liability company or other organization, other than a real estate marketing employee, that engages in real estate marketing activity and is licensed under ORS 696.606.

(4)(a) “Real estate marketing employee” means an individual who receives compensation from a real estate marketing organization for performing real estate marketing activity.

(b) “Real estate marketing employee” does not mean an individual licensed under ORS 696.022. [1995 c.217 §2; 2001 c.300 §65; 2007 c.319 §16]

696.603 License requirement. (1) A person may not engage in real estate marketing activity
unless that person is:
(a) Licensed under ORS 696.606;
(b) Licensed under ORS 696.022; or
(c) Registered by a person licensed under ORS 696.606.

(2) No person may employ an individual as a real estate marketing employee unless the person registers the individual with the Real Estate Commissioner as the employee of the real estate marketing organization before the individual commences real estate marketing activity.

(3) This section applies to persons who:
(a) Initiate real estate marketing activity in this state; or
(b) Initiate real estate marketing activity in another state that includes contacting persons in this state.

(4) One act or transaction of real estate marketing activity is sufficient to constitute engaging in real estate marketing activity within the meaning of this section. [1995 c.217 §3; 2001 c.300 §66]

696.606 Real estate marketing organization license; requirements; deposit required; claims against deposit; rules. (1) In accordance with any applicable provisions of ORS chapter 183, the Real Estate Commissioner shall establish by rule a system to license real estate marketing organizations. Such a system shall include but need not be limited to prescribing:
(a) The form and content of and the times and procedures for submitting an application for the issuance or renewal of a license.
(b) The term of the license and the fee for the original issue and renewal in an amount that does not exceed the cost of administering the licensing system.
(c) The requirements and procedures to register the names of and other information regarding the real estate marketing employees employed by applicants or licensees.
(d) Those actions or circumstances that constitute failure to achieve or maintain licensing or competency or that otherwise constitute a danger to the public interest and for which the commissioner may refuse to issue or renew or may suspend or revoke a license or registration or may impose a penalty.
(e) Those activities of principals of the organization that constitute a danger to the public interest and for which the commissioner may refuse to issue or renew or may suspend or revoke a registration or may impose a penalty.

(2) Licenses for real estate marketing organizations shall be granted only if the principal persons of the organization are trustworthy and competent to conduct real estate marketing activity in such manner as to safeguard the interests of the public and only after satisfactory proof has been presented to the commissioner. As used in this subsection, “satisfactory proof” includes but is not limited to the fingerprints and a criminal records check of the applicant. For the purpose of requesting a state or nationwide criminal records check under ORS 181.534, the commissioner may require the fingerprints of the applicant.

(3) At the time of filing an application for a license as a real estate marketing organization, the applicant shall deposit with the commissioner a corporate surety bond running to the State of Oregon, executed by a surety company satisfactory to the commissioner, in the amount of $35,000 in a form and under terms and conditions established by the commissioner.

(4) Any real estate marketing organization may satisfy the requirements of subsection (3) of this section by depositing with the commissioner, in an amount equal to the surety bond required, a deposit consisting of any of the following:
(a) Cash;
(b) Ample secured obligations of the United States, a state or a political subdivision thereof;
(c) Certificates of deposit or other investments described in ORS 733.650 (4) to the extent that such investments are insured by the Federal Deposit Insurance Corporation; or
(d) Any combination of paragraphs (a), (b) and (c) of this subsection.

(5) Any real estate marketing organization making a deposit with the commissioner shall assign in trust, to the Real Estate Commissioner, and the commissioner’s successors in office, all cash, certificates or securities deposited in accordance with this section.

(6) The deposit shall be accepted and held by the commissioner for the faithful performance of real estate marketing activity by the real estate marketing organization. No claimant or judgment creditor of the real estate marketing organization shall have the right to attach or levy upon any of the assets or securities held on deposit.

(7) The commissioner, by order, may use such deposit under subsection (3) or (4) of this section, as follows:
(a) To satisfy any final judgment entered against the real estate marketing organization for actual damages suffered by any person by reason of the violation of this section or ORS 696.603 or 696.612 or a rule adopted pursuant thereto, or by reason of any fraud, dishonesty, misrepresentation or concealment of material fact growing out of any real estate marketing activity.
(b) To satisfy an order of the commissioner if the commissioner determines that a violation of this section or ORS 696.603 or 696.612 or a rule adopted pursuant thereto has occurred and directs the payment of a claim from the deposit provided the following conditions have been met:
   (A) The amount of actual damages claimed, excluding attorney fees, by the consumer is $1,000 or less.
   (B) The consumer has first contacted the real estate marketing organization involved and, in writing, has made demand for payment of actual damages.
   (C) The real estate marketing organization has had 30 calendar days from the date of the consumer’s written demand to deal with the demand.
   (D) The claim is only for actual damages sustained by the consumer.

(8) All claims against the deposit under subsection (3) or (4) of this section of a real estate marketing organization, other than those described in subsection (7) of this section, must be paid by the commissioner only upon the receipt of a final court judgment against the real estate marketing organization and only in the amount of actual damages as ordered by the court. [1995 c.217 §4; 1999 c.107 §12; 2005 c.730 §39; 2011 c.9 §89]

696.609 Exemptions from ORS 696.392, 696.600 to 696.785 and 696.995. ORS 696.392, 696.600 to 696.785 and 696.995 do not apply to an individual licensed under ORS 696.022 or to those persons exempt under ORS 696.030 from licensing under ORS 696.020. [1995 c.217 §5; 2001 c.300 §42; 2007 c.319 §17]

696.610 [Repealed by 1981 c.617 §41]

696.612 Grounds for disciplinary action. The Real Estate Commissioner may suspend or revoke the license of any real estate marketing organization or reprimand any licensee, or may deny the issuance or renewal of a license to an applicant who has done any of the following:
(1) Knowingly or negligently pursued a course of material misrepresentation in matters related to real estate marketing activity, whether or not damage or injury resulted, or knowingly or negligently made any material misrepresentation or material false promise in a matter related to real estate marketing activity if the material misrepresentation or material false promise created a reasonable probability of damage or injury, whether or not damage or injury actually resulted.

(2) Failed, within a reasonable time, to account for or to remit any moneys or to surrender to the rightful owner any documents or other valuable property coming into the possession of the real estate marketing organization that belongs to others.

(3) Disregarded or violated any provision of this section, ORS 696.603 or 696.606 or any rule adopted pursuant thereto.

(4) Guaranteed, authorized or permitted any person to guarantee future profits that may result from the resale of real property.

(5) Failed or refused upon demand to produce or to supply true copies of any document, book or record in the possession or control of the real estate marketing organization for inspection by the commissioner or the commissioner’s authorized representative.

(6) Failed to register and maintain the current and accurate names of, and information regarding, each real estate marketing employee of the real estate marketing organization.

(7) Procured or attempted to procure a real estate marketing license by fraud, misrepresentation or deceit or by making any material misstatement of fact in an application for a real estate marketing license.

(8) Failed to exercise supervision over the activities of real estate marketing employees. For the purposes of this subsection, “supervision” means that management by an organization that is reasonably designed and implemented to result in compliance by the employees of the organization with this section, ORS 696.603 or 696.606 or any rule adopted pursuant thereto.

(9) Engaged in any act or conduct, whether of the same or of a different character specified in this subsection, that constitutes or demonstrates bad faith, incompetence, untrustworthiness or dishonest, fraudulent or improper dealings.

(10) Failed to meet or maintain the deposit requirements of ORS 696.606 (3) or (4).

(11) Failed to pay in full any final judgment on claims adjudged by the commissioner or by a court of competent jurisdiction.

(12) Violated ORS 646.608. [1995 c.217 §6]

696.615 Publication of sanctions imposed for violations. The Real Estate Commissioner shall publish information in local newspapers pertaining to sanctions imposed for violations of ORS 696.603, 696.606 or 696.612 in a manner allowed under ORS 696.430 and 696.445 (3). [1995 c.217 §7]

696.618 Denial of right to court action for unlicensed real estate marketing organization. No person carrying on, conducting or transacting any real estate marketing activity may maintain any suit or action in any of the courts of this state to enforce any claim arising out of real estate marketing activity without alleging and proving that the person was licensed under ORS 696.606 at the time of performing such activities. [1995 c.217 §8]

696.620 [Amended by 1975 c.491 §7; repealed by 1981 c.617 §41]
696.621 Real Estate Marketing Account. The Real Estate Marketing Account is established as an account in the General Fund of the State Treasury. All moneys received by the Real Estate Agency pursuant to ORS 696.392, 696.600 to 696.785 and 696.995 shall be paid into the State Treasury and credited to the account. All moneys in the account are appropriated continuously to the Real Estate Agency to carry out the provisions of ORS 696.392, 696.600 to 696.785 and 696.995. [1995 c.217 §9; 2001 c.300 §67]

696.624 Consent by nonresident real estate marketing organization to service of summons or process required. (1) Every nonresident real estate marketing organization, at the time of licensing, shall file with the Real Estate Commissioner an irrevocable consent that if, in any suit or action commenced against the nonresident organization in this state arising out of a violation of any provision of ORS 696.603, 696.606 or 696.612, personal service of summons or process upon the nonresident organization cannot be made in this state after the exercise of due diligence, a valid service may be made upon the nonresident organization by service on the commissioner.

(2) The consent shall be in writing, executed and verified by an officer of the real estate marketing organization and shall set forth:
(a) The name of the real estate marketing organization.
(b) The address to which documents served upon the commissioner are to be forwarded.
(c) If the real estate marketing organization is a corporation or unincorporated association, that the consent signed by such officer was authorized by resolution duly adopted by the board of directors.

(3) The address for forwarding documents served under this section may be changed by filing a new consent in the form prescribed in subsection (2) of this section.

(4) Service on the commissioner of any summons or process shall be made by delivery to the commissioner or a clerk on duty in any office of the commissioner, and shall include duplicate copies of such summons or process, together with duplicate copies of any papers required by law to be delivered in connection with such service.

(5) When the commissioner is served with any such summons or process, the commissioner shall immediately cause one of the copies thereof, with any accompanying papers, to be forwarded by registered or certified mail, return receipt requested, to the real estate marketing organization at the address set forth in the consent.

(6) The commissioner shall keep a record of all summonses and processes, notices and demands served upon the commissioner under this section, and shall record therein the time of such service and the action with reference thereto. [1995 c.217 §11]

696.627 On-site inspection allowed; deposit. (1) The Real Estate Commissioner may make an on-site inspection of any real estate marketing organization.

(2) When an on-site inspection under subsection (1) of this section is to be made, the commissioner may require the organization to advance a deposit not to exceed $200 per day, in addition to any other fee, for making the on-site inspection. Any unexpended portion of the deposit shall be refunded to the organization. [1995 c.217 §12]

696.630 [Repealed by 1981 c.617 §41]

696.640 [Repealed by 1981 c.617 §41]
ACTIONS AND REMEDIES

696.710 Necessity of alleging license in action to collect compensation. (1) An individual engaged in the business of, or acting in the capacity of, a real estate broker or principal real estate broker within professional real estate activities in this state may not bring or maintain any action in the courts for the collection of compensation without alleging and proving that the individual was a licensed real estate licensee when the alleged cause of action arose.

(2) An action in the courts for collection of compensation from a client for an individual engaged in the business of, or acting in the capacity of, professional real estate activity conducted by a real estate broker associated with a principal real estate broker may not be brought or maintained except by the principal real estate broker with whom the real estate broker was associated when the alleged cause of action arose. [Amended by 1981 c.617 §32; 1991 c.5 §44; 2001 c.300 §43; 2007 c.319 §18]

696.720 Remedies are concurrent. The remedies provided for in ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.995 are in addition to and not exclusive of any other remedies provided by law.

696.730 Jurisdiction of courts for violations; revoking license upon conviction; copy of order to commissioner. Any court of competent jurisdiction, including a justice court, has full power to hear any violation of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.995 by an individual licensed under ORS 696.022, and, upon finding a violation, the court may, at its discretion and in addition to the other penalties imposed, revoke the license of the individual found to have violated any provision of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.995. The clerk of the court shall forward a copy of any order revoking a real estate license to the Real Estate Commissioner. [Amended by 1987 c.468 §5; 2001 c.300 §79; 2007 c.319 §19]

696.740 [1971 c.734 §161; repealed by 1981 c.617 §41]

696.745 [1975 c.746 §33; 1977 c.649 §56; repealed by 1981 c.617 §41]

696.775 Authority of commissioner when license lapsed, expired, revoked, suspended or surrendered. The lapsing, expiration, revocation or suspension of any real estate license, whether by operation of law, order of the Real Estate Commissioner or decision of a court of law, or the inactive status of the license or voluntary surrender of the license by the real estate licensee, does not deprive the commissioner of jurisdiction to:

(1) Proceed with an investigation of the licensee;
(2) Conduct disciplinary proceedings relating to the licensee;
(3) Take action against a licensee, including assessment of a civil penalty against the licensee for a violation of ORS 696.020 (2); or
696.785 Commissioner duties when illegal commingling of funds found; receivership procedure. (1) When the Real Estate Commissioner ascertains by audit, investigation or otherwise that a real estate licensee has commingled trust funds with personal funds or has embezzled trust funds and that such activity is likely to cause significant financial loss to others as a result of professional real estate activity engaged in by such licensee, the commissioner may communicate such fact to the Attorney General, whereupon it shall become the duty of the Attorney General to forthwith assist the commissioner in instituting such proceedings as may be necessary to carry out the purposes of this section.

(2) Pursuant to subsection (1) of this section, the commissioner may apply to the circuit court of the county in which the licensee’s principal place of business is located for an order directing the licensee to show cause why a receiver should not be appointed to take charge of and manage or liquidate if necessary the assets of the licensee utilized in professional real estate activity in such a manner as to prevent or minimize such financial loss to others.

(3) If the court is satisfied from reading the commissioner’s petition that the facts therein alleged, if established, warrant such receivership action, the court shall issue such order to show cause. The court may at such time, without notice, issue a temporary injunction restraining such licensee, or any of the licensee’s officers, directors, stockholders, members, agents or employees, from the transaction of any professional real estate activity, or the waste or disposition of any such assets until further order of the court. Should such an injunction be issued, a hearing on whether the injunction shall be continued shall be held within five business days of its service.

(4) On return of the order to show cause, and after a full hearing, the court shall either deny the application or grant the same, together with such other relief as the court may deem necessary.

(5) Notwithstanding any other provision of law, no bond shall be required of the commissioner or the commissioner’s authorized representatives as a prerequisite for the issuance of any injunction or other order pursuant to this section.

(6) At any time during such proceedings, the licensee may satisfy the court that the activity which prompted such proceedings has been rectified or that financial loss to others no longer will likely occur, in which case the court may dismiss such proceedings.

(7) The expenses of the receiver, compensation of the legal counsel of the receiver, as well as all expenditures of the receiver required in such proceedings shall be fixed by the court and shall be paid out of funds in the hands of the receiver or entered as a judgment against such licensee. [1977 c.649 §8; 1981 c.617 §33]

MISCELLANEOUS

696.790 Authority of commissioner to require fingerprints. For the purpose of requesting a state or nationwide criminal records check under ORS 181.534, the Real Estate Commissioner may require the fingerprints of an individual who:

(1) Is applying for a license, or renewal of a license, under this chapter; or
(2)(a)(A) Is employed or applying for employment by the Real Estate Agency; or
(B) Provides services or seeks to provide services to the Real Estate Agency as a contractor or volunteer; and
(b) Is, or will be, working or providing services in a position:
   (A) In which the individual is providing information technology services and has control
       over, or access to, information technology systems that would allow the individual to harm the
       information technology systems or the information contained in the systems;
   (B) In which the individual has access to information that state or federal laws, rules or
       regulations prohibit disclosing or define as confidential;
   (C) That has payroll functions or in which the individual has responsibility for receiving,
       receipting or depositing money or negotiable instruments, for billing, collections or other
       financial transactions or for purchasing or selling property or has access to property held in trust
       or to private property in the temporary custody of the state;
   (D) That has mailroom duties as a primary duty or job function;
   (E) That has personnel or human resources functions as a primary responsibility;
   (F) In which the individual has access to Social Security numbers, dates of birth or criminal
       background information of employees or members of the public; or
   (G) In which the individual has access to tax or financial information about individuals or

696.793 [1989 c.724 §15; repealed by 2005 c.730 §77]

696.795 Authority of commissioner to conduct investigations and proceedings. (1) For
the purpose of an investigation or proceeding under this chapter, the commissioner may
administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence
and require the production of books, papers, correspondence, memoranda, agreements or other
documents or records which the commissioner deems relevant or material to the inquiry. Each
witness who appears before the commissioner under a subpoena shall receive the fees and
mileage provided for witnesses in civil cases.
   (2) If a person fails to comply with a subpoena so issued or a party or witness refuses to
testify on any matters, the judge of the circuit court or of any county, on the application of the
commissioner, shall compel obedience by proceedings for contempt as in the case of
disobedience of the requirements of a subpoena issued from such court or a refusal to testify
therein. [1989 c.724 §16]

AGENTS’ OBLIGATIONS

696.800 Readability, clarification, and where “real estate broker” was deleted, those
references were meant for application to sole practitioners, which license type no longer exists.

696.800 Definitions. As used in ORS 696.392, 696.600 to 696.785, 696.800 to 696.870 and
696.995, unless the context requires otherwise:
   (1) “Agent” means:
       (a) A real estate broker or principal real estate broker who has entered into:
           (A) A listing agreement with a seller;
           (B) A service contract with a buyer to represent the buyer; or
           (C) A disclosed limited agency agreement; or
       (b) An individual licensed under ORS 696.022 who has entered into a written contract with
           a real estate broker or associated with a principal real estate broker to act as the principal

70
(2) “Buyer” means a potential transferee in a real property transaction, and includes a person who:
   (a) Executes an offer to purchase real property from a seller through an agent; or
   (b) Enters into an exclusive representation contract or buyer’s service agreement with a real estate broker or principal real estate broker an agent, whether or not a sale or transfer of property results.

(3) “Confidential information” means information communicated to a real estate licensee or the licensee’s agent by the buyer or seller of one to four residential units regarding the real property transaction, including but not limited to price, terms, financial qualifications or motivation to buy or sell. “Confidential information” does not mean information that:
   (a) The buyer instructs the licensee or the licensee’s agent to disclose about the buyer to the seller or the seller instructs the licensee or the licensee’s agent to disclose about the seller to the buyer; and
   (b) The licensee or the licensee’s agent knows or should know failure to disclose would constitute fraudulent representation.

(4) “Disclosed limited agency” means a real property transaction in which the representation of a buyer and seller or the representation of two or more buyers occurs within the same real estate business.

(5) “Listing agreement” means a contract between a seller of real property and a real estate broker or principal real estate broker an agent by which the broker agent has been authorized to act as an agent of the seller for compensation to offer the real property for sale or to find and obtain a buyer.

(6) “Listing price” means the amount expressed in dollars, specified in the listing agreement, for which the seller is willing to sell the real property through the listing agent.

(7) “Offer” means a written proposal executed by a buyer for the sale or lease of real property.

(8) “Offering price” is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property.

(9) “Principal” means the person who has permitted or directed an agent to act on the principal’s behalf. In a real property transaction, this generally means the buyer or the seller.

(10) “Real property” means any estate in real property, including a condominium as defined in ORS 100.005, a timeshare property as defined in ORS 94.803 and the granting of an option or right of first refusal. “Real property” also includes a manufactured structure, as defined in ORS 446.561, owned by the same person who owns the land upon which the manufactured structure is situated. “Real property” does not include a leasehold in real property.

(11) “Real property transaction” means a transaction regarding real property in which an agent is employed by one or more of the principals to act in that transaction and includes but is not limited to listing agreements, buyer’s service agreements, exclusive representation contracts and offers to purchase.

(12) “Sale” or “sold” refers to a transaction for the transfer of real property from the seller to the buyer and includes:
   (a) Exchanges of real property between the seller and the buyer and third parties; and
   (b) Land sales contracts.

(13) “Seller” means a potential transferor in a real property transaction and includes an
owner:
  (a) Who enters into a listing agreement with a real estate broker or principal real estate broker, whether or not a transfer results; or
  (b) Who receives an offer to purchase real property, of which the seller is the owner, from an agent acting on behalf of a buyer. [1993 c.570 §2; 2001 c.300 §44; 2003 c.655 §84; 2005 c.116 §§13,14; 2007 c.319 §21]

Note: Section 351, chapter 79, Oregon Laws 1995, provides:
Sec. 351. The provisions of ORS 696.800 to 696.855 [series became 696.800 to 696.870] apply to ORS 696.010 to 696.495. [1995 c.79 §351]

696.805 Real estate licensee as seller’s agent; obligations. (1) A real estate licensee who acts under a listing agreement with the seller acts as the seller’s agent only.
  (2) A seller’s agent owes the seller, other principals and the principals’ agents involved in a real estate transaction the following affirmative duties:
    (a) To deal honestly and in good faith;
    (b) To present all written offers, written notices and other written communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
    (c) To disclose material facts known by the seller’s agent and not apparent or readily ascertainable to a party.
  (3) A seller’s agent owes the seller involved in a real estate transaction the following affirmative duties:
    (a) To exercise reasonable care and diligence;
    (b) To account in a timely manner for money and property received from or on behalf of the seller;
    (c) To be loyal to the seller by not taking action that is adverse or detrimental to the seller’s interest in a transaction;
    (d) To disclose in a timely manner to the seller any conflict of interest, existing or contemplated;
    (e) To advise the seller to seek expert advice on matters related to the transaction that are beyond the agent’s expertise;
    (f) To maintain confidential information from or about the seller except under subpoena or court order, even after termination of the agency relationship; and
    (g) Unless agreed otherwise in writing, to make a continuous, good faith effort to find a buyer for the property, except that a seller’s agent is not required to seek additional offers to purchase the property while the property is subject to a contract for sale.
  (4) A seller’s agent may show properties owned by another seller to a prospective buyer and may list competing properties for sale without breaching any affirmative duty to the seller.
  (5) Except as provided in subsection (3)(g) of this section, an affirmative duty may not be waived.
  (6) Nothing in this section implies a duty to investigate matters that are outside the scope of the real estate licensee’s expertise, including but not limited to investigation of the condition of property, the legal status of the title or the owner’s past conformance with law, unless the licensee or the licensee’s agent agrees in writing to investigate a matter. [1993 c.570 §3; 2001 c.300 §45; 2003 c.398 §11; 2005 c.393 §6]
Note: See note under 696.800.

696.810 Real estate licensee as buyer’s agent; obligations. (1) A real estate licensee other than the seller’s agent may agree with the buyer to act as the buyer’s agent only. The buyer’s agent is not representing the seller, even if the buyer’s agent is receiving compensation for services rendered, either in full or in part, from the seller or through the seller’s agent.

(2) A buyer’s agent owes the buyer, other principals and the principals’ agents involved in a real estate transaction the following affirmative duties:
   (a) To deal honestly and in good faith;
   (b) To present all written offers, written notices and other written communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
   (c) To disclose material facts known by the buyer’s agent and not apparent or readily ascertainable to a party.

(3) A buyer’s agent owes the buyer involved in a real estate transaction the following affirmative duties:
   (a) To exercise reasonable care and diligence;
   (b) To account in a timely manner for money and property received from or on behalf of the buyer;
   (c) To be loyal to the buyer by not taking action that is adverse or detrimental to the buyer’s interest in a transaction;
   (d) To disclose in a timely manner to the buyer any conflict of interest, existing or contemplated;
   (e) To advise the buyer to seek expert advice on matters related to the transaction that are beyond the agent’s expertise;
   (f) To maintain confidential information from or about the buyer except under subpoena or court order, even after termination of the agency relationship; and
   (g) Unless agreed otherwise in writing, to make a continuous, good faith effort to find property for the buyer, except that a buyer’s agent is not required to seek additional properties for the buyer while the buyer is subject to a contract for purchase or to show properties for which there is no written agreement to pay compensation to the buyer’s agent.

(4) A buyer’s agent may show properties in which the buyer is interested to other prospective buyers without breaching an affirmative duty to the buyer.

(5) Except as provided in subsection (3)(g) of this section, an affirmative duty may not be waived.

(6) Nothing in this section implies a duty to investigate matters that are outside the scope of the real estate licensee’s expertise, including but not limited to investigation of the condition of property, the legal status of the title or the owner’s past conformance with law, unless the licensee or the licensee’s agent agrees in writing to investigate a matter. [1993 c.570 §4; 2001 c.300 §46; 2003 c.398 §12; 2005 c.393 §7]

Note: See note under 696.800.

696.815 Representation of both buyer and seller; obligations. (1) A real estate licensee may represent both the seller and the buyer in a real estate transaction under a disclosed limited
agency agreement, with full disclosure of the relationship under the agreement.

(2) A real estate licensee acting pursuant to a disclosed limited agency agreement has the following duties and obligations:

(a) To the seller, the duties under ORS 696.805;
(b) To the buyer, the duties under ORS 696.810; and
(c) To both seller and buyer, except with express written permission of the respective person, the duty not to disclose to the other person:
   (A) That the seller will accept a price lower or terms less favorable than the listing price or terms;
   (B) That the buyer will pay a price greater or terms more favorable than the offering price or terms; or
   (C) Specific confidential information as defined in ORS 696.800 (3).

(3) Nothing in this section implies a duty to investigate matters that are outside the scope of the real estate licensee’s expertise unless the licensee agrees in writing to investigate a matter.

(4) In a real estate transaction in which different real estate brokers associated with the same principal real estate broker establish agency relationships with different parties to the real estate transaction, the principal real estate broker shall be the only broker acting as a disclosed limited agent representing both seller and buyer. Other brokers shall continue to represent only the party with whom the broker has an agency relationship unless all parties agree otherwise in writing.

(5) The principal real estate broker and the real estate licensees representing either seller or buyer shall owe the following duties to the seller and buyer:

(a) To disclose a conflict of interest in writing to all parties;
(b) To take no action that is adverse or detrimental to either party’s interest in the transaction; and
(c) To obey the lawful instructions of both parties. [1993 c.570 §5; 2001 c.300 §47]

Note: See note under 696.800.

696.820 Agency disclosure pamphlet; rules. (1) The Real Estate Commissioner shall prescribe by rule the format and content of an initial agency disclosure pamphlet. The rules must provide that the initial agency disclosure pamphlet is informational only and may not be construed to be evidence of intent to create an agency relationship.

(2) An agent shall provide a copy of the initial agency disclosure pamphlet at the first contact with each party to a real property transaction, including but not limited to contacts in person, by telephone, over the Internet or the World Wide Web, or by electronic mail, electronic bulletin board or a similar electronic method. [1993 c.570 §6; 2001 c.300 §48; 2005 c.116 §15]

Note: See note under 696.800.

696.822 Liability of principal for act, error or omission of agent or subagent. (1) A principal is not liable for an act, error or omission by an agent or subagent of the principal arising out of an agency relationship established under ORS 696.805, 696.810, 696.815 or 696.820:

(a) Unless the principal participates in or authorizes the act, error or omission; and
(b) Only to the extent that:
   (A) The principal benefited from the act, error or omission; and
   (B) A court or arbitrator determines that it is highly probable that the claimant would be
unable to enforce a judgment against the agent or subagent of the principal.

(2) A real estate licensee is not liable for an act, error or omission by a principal or an agent of a principal that is not related to the licensee unless the licensee participates in or authorizes the act, error or omission. This subsection does not limit the liability of a principal real estate broker for an act, error or omission by a real estate licensee under the principal broker’s supervision.

(3) Unless acknowledged by a principal in writing, facts known by an agent or subagent of the principal may not be imputed to the principal if the principal does not have actual knowledge.

(4) Unless acknowledged by a real estate licensee in writing, facts known by a principal or an agent of the principal may not be imputed to the licensee if the licensee does not have actual knowledge. This subsection does not limit the knowledge imputed to a principal real estate broker of facts known by a real estate licensee under the supervision of the principal real estate broker. [2001 c.300 §52]

Note: See note under 696.800.

696.825 [1993 c.570 §7; repealed by 2001 c.300 §84]

696.830 [1993 c.570 §8; repealed by 2001 c.300 §84]

696.835 Buyer and seller responsibilities. None of the affirmative obligations of a real estate licensee or agent in a real estate transaction under ORS 696.805, 696.810 or 696.815 relieves a seller or a buyer from the responsibility to protect the seller’s or buyer’s own interests respectively. [1993 c.570 §9]

Note: See note under 696.800.

696.840 Compensation and agency relationships. The payment of compensation or the obligation to pay compensation to a real estate licensee by the seller or the buyer is not necessarily determinative of a particular agency relationship between a real estate licensee and the seller or the buyer. After full disclosure of agency relationships, a listing agent, a selling agent or a real estate licensee or any combination of the three may agree to share any compensation paid, or any right to any compensation for which an obligation arises as the result of a real property transaction, and the terms of the agreement shall not necessarily be determinative of a particular relationship. Nothing in this section shall prevent the parties from selecting a relationship not specifically prohibited by ORS 696.301, 696.392, 696.600 to 696.785, 696.800 to 696.870 and 696.995. [1993 c.570 §10; 2007 c.337 §8]

Note: See note under 696.800.

696.845 Acknowledgment of existing agency relationships form; rules. When signing an offer to purchase, each buyer shall acknowledge the existing agency relationships, if any. When a seller accepts or rejects an offer to purchase in writing, each seller shall acknowledge the existing agency relationships, if any. An agent to the real property transaction shall obtain the signatures of the buyers and the sellers to the acknowledgment, which shall be incorporated into or attached as an addendum to the offer to purchase or to the acceptance. The Real Estate Agency shall prescribe by rule the form and content of the acknowledgment of existing agency
relationships. [1993 c.570 §11; 2001 c.300 §49; 2003 c.398 §13; 2005 c.116 §16]

Note: See note under 696.800.

696.855 Common law application to statutory obligations and remedies. (1) ORS 696.301, 696.392, 696.600 to 696.785, 696.890 and 696.995 do not directly, indirectly or by implication limit or alter any preexisting common law or statutory right or remedy including actions for fraud, negligence or equitable relief.

(2) Common law and statutory remedies are not affected by ORS 696.301, 696.392, 696.600 to 696.785, 696.890 and 696.995. [1993 c.570 §12; 2001 c.300 §49a; 2011 c.158 §2]

Note: See note under 696.800.

696.870 Duties of real estate licensee under ORS 105.462 to 105.490, 696.301 and 696.870. (1)(a) A real estate licensee representing a seller of real property has a duty to inform each represented seller of the seller’s duties created by this section and ORS 105.462 to 105.490 and 696.301.

(b) A real estate licensee representing a buyer of real property has a duty to inform each represented buyer of the buyer’s rights under this section and ORS 105.462 to 105.490 and 696.301.

(2) If a real estate licensee performs the duties set forth in subsection (1) of this section, the real estate licensee shall have no further duties under this section.

(3) Notwithstanding subsections (1) and (2) of this section, for the purposes of ORS 696.301, a real estate licensee:
   (a) Representing a seller by written agreement or course of conduct is bound by the standards of conduct and duties created under ORS 696.805;
   (b) Representing a buyer by written agreement or course of conduct is bound by the standards of conduct and duties created under ORS 696.810; and
   (c) Acting as a disclosed limited agent by a written agreement or course of conduct is bound by the standards of conduct and duties created under ORS 696.815. [1993 c.547 §6; 2001 c.300 §50]

Note: See note under 696.800.

696.880 Licensee not required to disclose proximity of registered sex offender. Nothing in ORS 181.800 to 181.845, 696.301, 696.805, 696.810, 696.815 or 696.855 creates an obligation on the part of a person licensed under this chapter to disclose to a potential purchaser of residential property that a sex offender registered under ORS 181.806, 181.807, 181.808 or 181.809 resides in the area. [1999 c.732 §2; 2001 c.300 §73; 2011 c.271 §24; 2013 c.708 §28]

Note: 696.880 was added to and made a part of ORS chapter 696 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

DUTIES OF REAL ESTATE PROPERTY MANAGERS
696.890 Duties of real estate property managers. (1) As used in this section:
(a) “Management of rental real estate” has the meaning given that term in ORS 696.010.
(b) “Property management agreement” has the meaning given that term in ORS 696.010.
(c) “Real estate property manager” has the meaning given that term in ORS 696.010.
(2) A real estate property manager who represents a property owner, for compensation, in the
management of rental real estate is the property owner’s agent.
(3) A real estate property manager may engage in the management of rental real estate for an
owner of rental real estate only pursuant to a property management agreement.
(4) A real estate property manager owes the property owner the following affirmative duties:
(a) To deal honestly and in good faith;
(b) To disclose material facts known by the property manager and not apparent or readily
ascertainable to the owner;
(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;
(f) To be loyal to the owner by not taking action that is adverse or detrimental to the owner’s
interest;
(g) To disclose in a timely manner to the owner any existing or contemplated conflict of
interest;
(h) To advise the owner to seek expert advice on matters that are beyond the property
manager’s expertise; and
(i) To maintain as confidential all information from or about the owner, except under
subpoena or court order, even after the agency relationship ends.
(5) The affirmative duties listed in subsection (4) of this section may not be waived.
(6) Nothing in this section implies a duty beyond or in addition to those activities that are
reasonably within the scope of the management of rental real estate. [2011 c.158 §1; 2013 c.145
§2]

Note: 696.890 was enacted into law by the Legislative Assembly but was not added to or
made a part of ORS chapter 696 or any series therein by legislative action. See Preface to Oregon
Revised Statutes for further explanation.

PENALTIES

696.990 Penalties. (1) Violation of any provision of ORS 696.010 to 696.130, 696.200,
696.205, 696.241 to 696.375, 696.392, 696.395 to 696.430, 696.490, 696.600 to 696.785 and
696.995 is a Class A misdemeanor.
(2) Any officer, director or shareholder or agent of a corporation, or member or agent of a
partnership or association, who personally participates in or is an accessory to any violation of
ORS 696.010 to 696.130, 696.200, 696.205, 696.241 to 696.375, 696.392, 696.395 to 696.430,
696.490, 696.600 to 696.785 and 696.995 by the partnership, association or corporation, is
subject to the penalties prescribed in subsection (1) of this section.
(3) A violation of any one of the provisions of ORS 696.505 to 696.590 is a Class A
misdemeanor.
(4) Any person that violates ORS 696.020 (2) may be required by the Real Estate
Commissioner to forfeit and pay to the General Fund of the State Treasury a civil penalty in an
amount determined by the commissioner of:

(a) Not less than $100 nor more than $500 for the first offense of unlicensed professional real estate activity; and

(b) Not less than $500 nor more than $1,000 for the second and subsequent offenses of unlicensed professional real estate activity.

(5) In addition to the civil penalty set forth in subsection (4) of this section, any person that violates ORS 696.020 may be required by the commissioner to forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined by the commissioner but not to exceed the amount by which such person profited in any transaction that violates ORS 696.020.

(6)(a) Except as provided in paragraph (b) of this subsection, a real estate licensee who is a real estate property manager or principal real estate broker and who is engaging in or who has engaged in the management of rental real estate may be required to forfeit and pay to the General Fund of the State Treasury a civil penalty of up to $1,000 per day of violation, or a lesser penalty in an amount determined by the commissioner, if the licensee fails to comply with rules that require the licensee to produce for inspection records related to the management of rental real estate that are maintained by the licensee as provided by ORS 696.280.

(b) A civil penalty imposed under this subsection may not exceed $10,000.

(7) Civil penalties under this section shall be imposed as provided in ORS 183.745.

(8) The civil penalty provisions of subsections (4) to (6) of this section are in addition to and not in lieu of the criminal penalties for unlicensed professional real estate activity in subsections (1) and (2) of this section.

(9) For the purposes of subsection (4) of this section, any violation of ORS 696.020 (2) that results from a failure of a real estate licensee to renew a license within the time allowed by law constitutes a single offense of unlicensed professional real estate activity for each 30-day period after expiration of the license during which the individual engages in professional real estate activity. A civil penalty imposed for a violation of ORS 696.020 (2) that results from a failure of a real estate licensee to renew a license within the time allowed by law is not subject to the minimum dollar amounts specified in subsection (4) of this section.

(10) Subsection (5) of this section does not apply to a violation of ORS 696.020 (2) that results from a failure of a real estate licensee to renew a license within the time allowed by law.

696.995 Civil penalties for violation of ORS 696.603, 696.606 or 696.612. (1) Any person who violates ORS 696.603, 696.606 or 696.612 may be required by the Real Estate Commissioner to forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined by the commissioner of:

(a) Not less than $100 nor more than $500 for the first violation of ORS 696.603, 696.606 or 696.612 or a rule adopted pursuant thereto; or

(b) Not less than $500 nor more than $1,000 for the second and subsequent violations of ORS 696.603, 696.606 or 696.612 or a rule adopted pursuant thereto.

(2) In addition to the civil penalty set forth in subsection (1) of this section, any person who violates ORS 696.603 may be required by the commissioner to forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined by the commissioner but not
to exceed the amount by which such person profited from the transaction in violation of ORS 696.603.

(3) Civil penalties under this section shall be imposed as provided in ORS 183.745.

(4) The civil penalty provisions of this section are in addition to and not in lieu of other administrative sanctions. [1995 c.217 §10]
ADMINISTRATIVE ACTIONS
Reported
January 27, 2016 through March 14, 2016

REVOCATIONS

Pearson, William (Portland) Property Manager, 201209159, Stipulated Order, dated February 5, 2016
Revocation

SUSPENSIONS

REPRIMANDS

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

Kraskoff, Anna (Woodburn) Broker, 201109050, Stipulated Order dated January 28, 2016 issuing a $100 civil penalty for a late renewal.

Heiney, Susan (Springfield) Property Manager, 851000091, Stipulated Order dated February 2, 2016 issuing a $3100 civil penalty for a late renewal.

Goche, Lauren (Portland) Broker, 201207959, Stipulated Order dated February 19, 2016 issuing a $100 Civil Penalty for a late renewal.

Reed, Patricia (Central Point) Property Manager, 200712176, Default Order issuing a $11,500 Civil Penalty for a late renewal.
REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

WILLIAM PEARSON

STIPULATED FINAL ORDER

The Real Estate Agency (OREA) and William Pearson (Pearson) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 On October 22, 2014, OREA received a complaint against PPG Property Management (PPG) from Maria Van Fleet (Van Fleet). Van Fleet complained that PPG staff were not being responsive to her since the former property manager was no longer associated with PPG and questioned whether PPG was licensed.

1.2 On November 5, 2014, OREA opened an investigation and on December 9, 2014 it was assigned to investigator Philip Johnson (Johnson). The investigation was not opened with high priority as there was no allegation or evidence of missing funds in the complaint. Johnson began investigating Van Fleet’s complaint in April 2015 after completion of pre-existing investigations in his caseload. Johnson’s investigation found what follows:

1.3 On September 26, 2012, PPG Property Management LLC was registered with the Oregon Secretary of State as a domestic limited liability company. The registration shows Julie Fugate (Fugate) as the registered agent and Pearson as the member.

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///
///
1.4 Fugate hired Pearson to perform property management activity around approximately September 2012. From approximately September 2012 to around January 2015, Pearson performed property management activity under the name PPG Property Management LLC.

1.5 Some time after August 2012, Fugate purported to enter into a sale agreement of Fugate’s property management portfolio to Pearson. Neither Pearson nor Fugate were able to produce the sale agreement during the investigation.

1.6 On January 27, 2014, Pearson applied for a real estate property manager license. On October 9, 2014, after completing all licensing requirements, Pearson obtained his real estate property manager license. Once licensed, Pearson never registered PPG Property Management LLC with OREA as a registered business name.

1.7 On October 9, 2014, Pearson associated his license with SunStone Property Management LLC when he obtained his real estate property manager license. However, Pearson said during the investigation he continued to conduct his property management activity under the name PPG Property Management LLC until January 2015, when he began using the name Sunstone Property Management LLC.

Violation: By doing professional real estate activity under the name PPG Property Management LLC, a business name other than Pearson’s registered business name of Sunstone Property Management LLC Pearson violated ORS 696.301(3) (2013 Edition) as it incorporates ORS 696.026(6) (2013 Edition), which states, a property manager may only conduct professional real estate activity under his licensed name or a registered business name.

1.8 Pearson told Johnson during the investigation, he opened clients’ trust accounts (CTAs) in the name of SunStone Property Management LLC with First Republic Bank in January 2015, and closed the CTAs in the name of PPG Property Management LLC which had been held at Columbia Bank.

1.9 As of June 16, 2015, Pearson did not have any CTA’s associated with the business name SunStone Property Management LLC in OREA’s licensing records. When Johnson brought this to Pearson’s attention, Pearson added his property management CTA and security deposit CTA to the OREA licensing system.
Violation: By failing to notify the Agency of both the CTA and the security deposit CTA, Pearson violated ORS 696.301(3) (2013 Edition) as it incorporates ORS 696.241(4) (2013 Edition), which requires a property manager to notify OREA within 10 business days of opening a CTA.

1.10 On June 16, 2015, Johnson requested CTA reconciliations and property management records from Pearson by email to be produced no later than June 24, 2015.

1.11 On June 24, 2015, Pearson's legal counsel, Jack Graham (Graham) called Johnson, and told him that Pearson did not have the completed CTA reconciliation records that were being requested. As of July 13, 2015 the requested CTA reconciliation records had not been produced for inspection by the OREA.

Violation: By failing to maintain the requested reconciliation documents, Pearson violated ORS 696.301(3) (2013 Edition) as it incorporates OAR 863-025-0035(1)(j) (5-15-2014 Edition), which requires property manager's records to be complete and accurate, which includes records of the reconciliation of each CTA and security deposit account, including the reconciliation document.

Violation: By failing to complete the required three-way reconciliations for his CTA and security deposit CTA, Pearson violated ORS 696.301 (2013 Edition) as it incorporates: OAR 863-025-0025(20) (4-1-13, 5-15-14 Editions) and OAR 863-025-0025 (21) (4-1-2013, 5-15-14 Editions), which requires a property manager to reconcile each clients' trust account and security deposit CTA within 30 calendar days of the date of the bank statements, requiring three components for the reconciliation. Also, by failing to complete the required reconciliations, Pearson demonstrated incompetence per ORS 696.301(12) (2013 Edition), which states a licensee can be subject to discipline if they have demonstrated incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license.

1.12 Security Deposit CTA ending in #0593, as of June 30, 2015/July 1, 2015:
   a. On July 1, 2015, the security deposit CTA bank account, ending in #0593 had an ending balance of $45,444.52.
   b. Documentation submitted to OREA and agreed upon by Pearson, showed a total of $234,499.26 for tenant security deposits being held by SunStone Property Management LLC.
c. In comparing the balance of the tenant security deposits $234,499.26 against the
July 1, 2015, bank balance of $45,444.52, it shows the account has a negative balance of
$189,054.74.

1.13 When Johnson asked Pearson where the money had gone, Pearson said he
started taking money from the security deposit CTA around September 2012. Pearson said
the money was used to cover payroll, overhead expenses, and purchase appliances for
tenants.

Violation: By taking and/or allowing funds from security deposits CTA ending in #0593
to be depleted and unaccounted for, Pearson violated ORS 696.301(12) (2013 Edition), which
states a real estate licensee is subject to discipline if they have demonstrated incompetence or
untrustworthiness in performing any act for which the licensee is required to hold a license.
Additionally, by his actions Pearson committed an act of fraud or engaged in dishonest
conduct substantially related to the fitness of the applicant or licensee to conduct professional
real estate activity, without regard to whether the act or conduct occurred in the course of

1.14 Dated July 1, 2015, Pearson provided a document labeled as "RE: Sale
Agreement for Sunstone Property Management." The document stated, "On July 1st 2015,
Andrew Pearson and David Cota struck an agreement for the purchase of Sunstone Property
Management in the amount of any and all missing security deposits, including any future
deposits that may be found inaccurate. The total initial investment is $164,643.35." The
document provided was unsigned by Pearson or Cota.

1.15 Additionally, Pearson provided an unsigned copy of a Business Purchase
Agreement and Bill of Sale which listed David Cota as the buyer.

1.16 On July 13, 2015, David Cota was interviewed by Johnson. Cota said he
deposited $165,000 to fully fund the security deposits account. Cota said the money was
placed into PropM’s (Cota’s company) security deposits account. Pearson sent Cota a check
in an amount around $40,000 to $43,000. The check from Pearson also was deposited in the
security deposits account at PropM. Cota provided proof to OREA that the $164,643.35 was in
the bank for the security deposits and on the security deposit ledger.
1.17 On July 13, 2015, OREA issued a Notice of Intent to Revoke Pearson’s real estate property manager license.

1.18 On August 14, 2015, OREA received an email from Pearson. The email contains a screen shot of the Security Deposit Ledger as of August 14, 2015, for all the properties in Oregon that are managed by PropM, including all the properties transferred to PropM from Sunstone. The total on the Security Deposit Ledger as of August 14, 2015, was $494,653.37. The screenshot also included a bank statement for PropM Security Deposit account ending in #7338, with a balance of $494,653.37, as of August 14, 2015.

1.19 On July 30, 2015, OREA received a request for hearing from Graham on behalf of Pearson.

2

2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301. Based on these violations, a revocation of Pearson’s real estate license is appropriate for violations of ORS 696.301(12) and (14) (2013 Edition). A revocation is appropriate under ORS 696.396(2)(c)(A), (B), and (C). According to ORS 696.396, OREA may revoke a real estate license if the material facts establish a violation of a ground for discipline under ORS 696.301 that results in significant damage or injury, exhibits incompetence in the performance of professional real estate activity, or exhibits dishonesty or fraudulent conduct.

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

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

3.

STIPULATION & WAIVER

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

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

ORDER

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

IT IS SO STIPULATED:

[Signature]

WILLIAM PEARSON

Date 2/5/16

IT IS SO ORDERED:

[Signature]

GENE BENTLEY
Real Estate Commissioner

Date 2·5·14

DATE of service: 2·5·2016
REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Broker License of

STIPULATED FINAL ORDER

ANNA A. KRASKOFF

The Oregon Real Estate Agency (OREA) and Anna A. Kraskoff (Kraskoff) do hereby
agree and stipulate to the following:

FINDINGS OF FACT

Kraskoff was licensed as a Broker with Premiere Property Group, LLC. Kraskoff's
license expired on October 1, 2015 and was not renewed until November 3, 2015. During the
time Kraskoff's license was expired, October 1, 2015 through November 2, 2015, 33 days,
Kraskoff continued conducting professional real estate activity as if actively licensed.

CONCLUSION OF LAW

By conducting professional real estate activity over the course of 33 days after
Kraskoff's license expired and before renewing it, Kraskoff violated ORS 696.020(2) and is
subject to discipline or civil penalty pursuant to ORS 696.990(4) and (9).

STIPULATION & WAIVER

I have read and reviewed the above findings of fact and conclusions of law which have
been submitted to me by 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

1 of 2 – Stipulated Final Order
waive my rights to a hearing, to representation by legal counsel at such a hearing, and to judicial review of this matter.

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

ORDER

IT IS HEREBY ORDERED that pursuant to ORS 696.990(1) to (9) and based upon the violation set forth above, Kraskoff pay a civil penalty in the sum of $100.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to the 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 one 30-day period of unlicensed activity.

IT IS SO STIPULATED:

[Signature]

ANNA A. KRASKOFF

Date 1-25-2016

IT IS SO ORDERED:

[Signature]

GENE BENTLEY
Real Estate Commissioner

Date 1-28-16

DATE of service: 1-28-2016

2 of 2 – Stipulated Final Order
REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

in the Matter of the Property Manager License of
SUSAN M. HEINEY

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (OREA) and Susan M. Heiney (Heiney) do hereby agree and stipulate to the following:

FINDINGS OF FACT

Heiney was licensed as a property manager with Diamond Property Management. Heiney’s license expired on August 1, 2013 and was not renewed until March 7, 2014. During the time Heiney’s license was expired, August 1, 2013 to March 6, 2014, 281 days, Heiney continued conducting professional real estate activity as if actively licensed.

CONCLUSION OF LAW

By conducting professional real estate activity over the course of 218 days after Heiney’s license expired and before renewing it, Heiney violated ORS 696.020(2) and is subject to discipline or civil penalty pursuant to ORS 696.990(4) and (9).

STIPULATION & WAIVER

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

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

ORDER

IT IS HEREBY ORDERED that pursuant to ORS 696.990(1) to (9) and based upon the violation set forth above, Heiney pay a civil penalty in the sum of $3,100.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to the 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 were seven 30-day periods of unlicensed activity.

IT IS SO STIPULATED:

Susan M. Heiney
SUSAN M. HEINEY

IT IS SO ORDERED:

GENE BENTLEY
Real Estate Commissioner

Date 1-29-16

DATE of service: 2-2-2016
In the Matter of the Broker License of

LAUREN JEANNE GOCHE

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (OREA) and Lauren Jeanne Goche (Goche) do hereby agree and stipulate to the following:

FINDINGS OF FACT

Goche was licensed as a Broker with Bluebird Real Estate. Goche's license expired on October 1, 2015 and was not renewed until November 3, 2015. During the time Goche's license was expired, October 1, 2015 through November 2, 2015, 33 days, Goche continued conducting professional real estate activity as if actively licensed.

CONCLUSION OF LAW

By conducting professional real estate activity over the course of 33 days after Goche's license expired and before renewing it, Goche violated ORS 696.020(2) and is subject to discipline or civil penalty pursuant to ORS 696.990(4) and (9).

STIPULATION & WAIVER

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

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

ORDER

IT IS HEREBY ORDERED that pursuant to ORS 696.990(1) to (9) and based upon the violation set forth above, Goche pay a civil penalty in the sum of $100.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to the 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 one 30-day period of unlicensed activity.

IT IS SO STIPULATED:

[Signature]

LAUREN JEANNE GOCHE

Date Feb. 3, 2016

IT IS SO ORDERED:

[Signature]

GENE BENTLEY
Real Estate Commissioner

Date 2-18-16

DATE of service: 2-18-14
REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Property Manager License
of
PATRICIA ANN REED

ORDER ON DEFAULT

1.1 On February 2, 2016, the Real Estate Commissioner issued, by certified mail, a notice of intent to levy a civil penalty against Patricia Ann Reed (Reed). The Real Estate Agency (OREA) sent the notice of intent to Reed's last known address of record with the OREA. The notice of intent was also mailed to Reed by regular first class mail in a handwritten envelope.

1.2 The certified mailing of the notice of intent and the first class mailing were sent to Reed at PO Box 5019, Central Point, OR 97502.

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

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

2.

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

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

2.2 Reed's last known address of record with OREA was PO Box 5019, Central Point, OR 97502.
2.3 A certified mailing of the notice of intent was mailed to Reed at her last known address of record on February 2, 2016. The certified mailing was returned to OREA marked "Return to Sender Unclaimed Unable to Forward."

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

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

FINDINGS OF FACT

&

CONCLUSIONS OF LAW

3.

3.1 Reed was licensed as a property manager with Compass Property Management, LLC (Compass Property Management). Reed’s license expired on March 1, 2014, and it was not renewed until February 28, 2015.

3.2 On April 18, 2014, OREA Public Service Representative Rus Putinsev (Putinsev), attempted to contact Reed to notify her that she had failed to renew her real estate license in February 2014, and that she needed to close down Compass Property Management LLC. When Putinsev called Reed’s phone number on record, he reached Reed’s voicemail which introduced Reed as being associated with Compass Property Management, LLC and advertised property for rent. On the same day, Putinsev drafted an email to Regulations Manager, Selina Barnes, detailing the facts he had discovered.

3.3 On June 4, 2014, OREA opened an investigation.

3.4 OREA investigator Aaron Grimes (Grimes) found multiple instances where Reed continued to advertise after her property manager license was expired.
3.5 On April 18, 2014 and May 30, 2014, Compass Property Management advertised the following properties for lease on their website: 3319 Alameda St Medford, 26 Pine St, Central Point, and 328 S. Central, Medford. On October 1, 2014, Compass Property Management advertised the following two properties for lease on their website: 1110 S. 3rd St., Jacksonville, OR, and 834 W. 13th St., Medford OR. For all the advertisements, Reed was listed as the leasing agent.

3.6 On October 1, 2014, Reed advertised herself on LinkedIn as the owner of Compass Property Management. At that time, there were no other active real estate licensees associated with Compass Property Management.

3.7 On October 22, 2014, Grimes interviewed Reed. Reed stated she continued to perform management of rental real estate after her license expiration on March 1, 2014. Reed stated she was working towards renewing her license by fulfilling the continuing education requirements for renewals. Reed told Grimes she managed 32 properties for 20 owners.

Violation: By continuing to engage in management of rental real estate for 364 days after her license expired and before renewing it, Reed violated ORS 696.020(2) (2013 Edition), which states an individual may not engage in, carry on, advertise or purport to engage in or carry on professional real estate activity, or act in the capacity of a real estate licensee, within this state unless the individual holds an active license.
ORDER

IT IS HEREBY ORDERED, pursuant to ORS 696.990 and based upon the violation set forth above, Reed pay a civil penalty in the sum of $11,500.00, 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 were twelve 30-day periods of unlicensed activity.

Dated this 9th day of March, 2016.

OREGON REAL ESTATE AGENCY

[Signature]

GENE BENTLEY
Real Estate Commissioner

DATE of service: 3/9/2016

NOTICE: You are entitled to judicial review of this order. Judicial review may be obtained by filing a petition for review within 60 days from the date of service of this order. Judicial review is pursuant to the provisions of ORS 183.482.
REAL ESTATE BOARD
REGULATION DIVISION REPORT
April 4, 2016

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

Division Overview

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

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

Workload and Activity Indicators

A recruitment for the vacant Administrative Specialist position is underway.

The Regulation Division staff completed a four hour Defensive Driver course on March 22,
2016.

Selina Barnes made a presentation to the Oregon Land Title Association (OLTA) on Saturday,
March 12, 2016. She will also be presenting “Tips for Staying Out of Trouble with the Agency”
following this board meeting.

For information on investigations resulting in administrative actions, please review the
“Administrative Actions Summary” section of the Board packet.
Division Manager: Michael Hanifin

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

Workload and Activity Indicators

Current Projects
Pending recommendation of the Board, prepare and submit proposed legislative concepts to DAS.
Complete work on website section related to Land Development.

Rulemaking Update
The hourly fee for review and approval of condominium filings was approved by the legislature as part Section 5 of SB 5702. SB 5702 is currently awaiting the Governor’s signature, and will be effective upon passage.
Manager: Anna Higley
Accountant: Caty Karayel
Systems Administrator: Tiffani Miller
Program Analyst: Madeline Alvarado
Licensing Specialists: Tami Schemmel and Ruslan Putintsev
Receptionist: Sue Davenhill

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

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

Budget Update
Revenue: The final revenue for the 13-15 biennium is $5.67 million. The Agency began the 13-15 biennium with a balance of $1.9 million (cash reserves). Five months of operating expenses total approximately $1.1 million. The Agency has ended the biennium with a $1.0 million ending balance. Projected revenue for the 15-17 biennium is $6.08 million with a $6.89 million Legislative Approved Budget.

Personal Services: No estimated remaining limitation;
- Services & Supplies: Expected limitation $122,179.
- Agency Budget – total expected savings of $151,858 of our limitation.

Licensing Statistics
Total Licenses:

<table>
<thead>
<tr>
<th>Individuals (Persons)</th>
<th>Jan</th>
<th>Feb</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Broker - Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active</td>
<td>11,385</td>
<td>11,510</td>
</tr>
<tr>
<td>Inactive</td>
<td>1,618</td>
<td>1,636</td>
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<tr>
<td><strong>Principal Broker - Total</strong></td>
<td>5,975</td>
<td>5,982</td>
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<tr>
<td><strong>ALL BROKERS Total</strong></td>
<td>17,360</td>
<td>17,492</td>
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<tr>
<td>Active</td>
<td>17,360</td>
<td>17,492</td>
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<tr>
<td>Inactive</td>
<td>2,019</td>
<td>2,027</td>
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<tr>
<td>Property Manager - Total</td>
<td>866</td>
<td>872</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>Active</td>
<td>803</td>
<td>807</td>
</tr>
<tr>
<td>Inactive</td>
<td>63</td>
<td>65</td>
</tr>
<tr>
<td>MCC Salesperson</td>
<td>32</td>
<td>30</td>
</tr>
<tr>
<td>MCC Broker</td>
<td>2</td>
<td>2</td>
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<tr>
<td>TOTAL INDIVIDUALS</td>
<td>20,279</td>
<td>20,423</td>
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<tr>
<td>Active</td>
<td>18,197</td>
<td>18,331</td>
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<tr>
<td>Inactive</td>
<td>2,082</td>
<td>2,092</td>
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<tr>
<th>Facilities (Companies)</th>
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<tr>
<td>REMO</td>
<td>4</td>
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<tr>
<td>Registered Business Name (RBN)</td>
<td>3,285</td>
<td>3,297</td>
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<td>Registered Branch Office (RBO)</td>
<td>695</td>
<td>696</td>
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<tr>
<td>Escrow Organization</td>
<td>49</td>
<td>49</td>
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<tr>
<td>Escrow Branch</td>
<td>150</td>
<td>145</td>
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<tr>
<td>PBLN</td>
<td>691</td>
<td>686</td>
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<tr>
<td>PMLN</td>
<td>152</td>
<td>156</td>
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<tr>
<td>CEP</td>
<td>291</td>
<td>303</td>
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<tr>
<td>MCC Operator</td>
<td>25</td>
<td>25</td>
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<tr>
<td>TOTAL FACILITIES</td>
<td>5,342</td>
<td>5,361</td>
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</table>

| TOTAL INDIVIDUALS & FACILITIES | 25,621 | 25,784 |

Continue to page 2

New Licenses:
<table>
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<tr>
<th>License Type</th>
<th>Jan-16</th>
<th>Feb-16</th>
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<tbody>
<tr>
<td>Individuals (Persons)</td>
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<tr>
<td>Broker</td>
<td>165</td>
<td>200</td>
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<td>7</td>
<td>10</td>
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<td>TOTAL BROKERS</td>
<td>172</td>
<td>210</td>
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<td>Property Manager</td>
<td>9</td>
<td>10</td>
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<tr>
<td>MCC Salesperson</td>
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<td>0</td>
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<tr>
<td>MCC Broker</td>
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<td></td>
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<td>TOTAL INDIVIDUALS</td>
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<td>220</td>
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<tr>
<td>Facilities (Companies)</td>
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<td></td>
</tr>
<tr>
<td>REMO</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Registered Business Name</td>
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<td>21</td>
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<tr>
<td>Registered Branch Office</td>
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<td>1</td>
<td>6</td>
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<tr>
<td>PMLN</td>
<td>3</td>
<td>5</td>
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<tr>
<td>Escrow Organization</td>
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<td>0</td>
</tr>
<tr>
<td>Escrow Branch</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MCC Operator</td>
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<td></td>
</tr>
<tr>
<td>TOTAL FACILITIES</td>
<td>27</td>
<td>40</td>
</tr>
<tr>
<td>TOTAL INDIVIDUALS &amp; FACILITIES</td>
<td>208</td>
<td>260</td>
</tr>
<tr>
<td>CEP</td>
<td>6</td>
<td>5</td>
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Manager:

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

**Workload and Activity Indicators**

<table>
<thead>
<tr>
<th>Exams Administered</th>
<th>Jan 2016</th>
</tr>
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<tbody>
<tr>
<td>ALL LICENSING EXAMS Total</td>
<td>426</td>
</tr>
<tr>
<td>Broker</td>
<td>354</td>
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<tr>
<td>Property Manager</td>
<td>19</td>
</tr>
<tr>
<td>Principal Broker</td>
<td>53</td>
</tr>
</tbody>
</table>

**Pass Rates**

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

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Broker State</td>
<td>76</td>
<td>65</td>
<td>72</td>
<td>69</td>
<td>61</td>
<td>71</td>
<td></td>
<td></td>
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<tr>
<td>Broker National</td>
<td>78</td>
<td>77</td>
<td>78</td>
<td>78</td>
<td>72</td>
<td>80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal Broker (pre 1/1/13)</td>
<td>81</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal Broker State (post 1/1/13)</td>
<td>n/a</td>
<td>46</td>
<td>61</td>
<td>62</td>
<td>58</td>
<td>63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal Broker National (post 1/1/13)</td>
<td>n/a</td>
<td>86</td>
<td>86</td>
<td>78</td>
<td>80</td>
<td>88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Manager</td>
<td>72</td>
<td>55</td>
<td>61</td>
<td>59</td>
<td>67</td>
<td>38</td>
<td></td>
<td></td>
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</tbody>
</table>

**Pass rate statistics include exam candidates from all schools. Exam candidates may have completed the course prior to the new course requirements effective January 1, 2013.**