



Oregon

Kate Brown, Governor

AGENDA ITEM NO.

I.C.

Notice of Agenda

OREGON REAL ESTATE BOARD

Regular Meeting Agenda

Zoom Videoconference

April 5, 2021

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

- I. BOARD BUSINESS – Chair MacLean**
 - A. Call to Order
 - B. Chair MacLean comments/Roll Call
 - C. Approval of the Agenda and Order of Business
 - D. Approval of 02.01.21, regular meeting minutes
 - E. Date of the Next Meeting: 06.07.21 to begin at 10am via Zoom videoconference
- II. PUBLIC COMMENT – Chair MacLean**
 - This time is set aside for persons wishing to address the Board on matters not on the agenda. Speakers will be limited to five minutes.
 - The Board Chair reserves the right to further limit or exclude repetitious or irrelevant presentations. If written material is included, 12 copies of all information to be distributed to board members should be given to the Board Liaison prior to the meeting.
 - Action will not be taken at this meeting on citizen comments. The Board, however, after hearing from interested citizens, may place items on a future agenda so proper notice may be given to all interested parties.
 - If no one wishes to comment, the next scheduled agenda item will be considered.
- III. REQUESTS FOR WAIVERS – Chair MacLean. Waiver request log.**
 - A. Robert Tessmer
- IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER– Chair MacLean. None.**
- V. BOARD ADVICE/ACTION – Commissioner Strode**
- VI. NEW BUSINESS – Commissioner Strode.**
- VII. COMMUNICATIONS – ADMINISTRATIVE ACTIONS SUMMARY – Chair MacLean**
- VIII. REPORTS – Chair MacLean**
 - A. Commissioner Strode
 - B. Agency division reports-Deputy Commissioner Higley
 1. Regulations Division, Meghan Lewis
 2. Administrative Services Division, Mesheal Heyman
 3. Land Development Division, Michael Hanifin
 4. Licensing and Education Division, Maddy Alvarado
- IX. ANNOUNCEMENTS – Chair MacLean.** Next board meeting: 06.07.21 to begin at 10am via Zoom videoconference
- X. ADJOURNMENT – Chair MacLean**

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



Oregon

Kate Brown, Governor

Agenda Item No.
I.D.

Real Estate Agency

530 Center St. NE, Suite 100

Salem, Oregon 97301-2505

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OREGON REAL ESTATE BOARD

Regular Meeting Minutes – via Zoom

Oregon Real Estate Agency
Salem, OR 97301

Monday, February 1, 2021

BOARD MEMBERS PRESENT:

Marie Due
Debra Gisriel, late
Susan Glen
Dave Hamilton
Lawnae Hunter, Chair
Kim Hedding
Pat Ihnat
Alex MacLean, Vice Chair

BOARD MEMBER ABSENT:

Jose Gonzalez

OREA STAFF PRESENT:

Steve Strobe, Commissioner
Anna Higley, Deputy Commissioner
Mesheal Heyman, Administrative Services Division Manager
Michael Hanifin, Land Development Manager
Leandra Hagedorn, Board liaison

GUESTS PRESENT:

Greg Smart
Mark Wheeler, Roots Realty
Dave Malcolm, Malcolm Law LLC

I. BOARD BUSINESS – Chair MacLean

- A. Call to Order. Chair MacLean called the meeting to order at 10am.
- B. Chair MacLean comments/Roll Call. Chair MacLean asked the board members to introduce themselves, and explained the role/function of the board.
- C. Approval of the Agenda and Order of Business.

MOTION TO APPROVE AGENDA AND ORDER OF BUSINESS BY Dave Hamilton SECOND BY DEBRA GISRIEL

MOTION CARRIED BY UNANIMOUS VOTE

- D. Approval of 12.07.20 regular meeting minutes.

MOTION TO APPROVE 12.07.20 REGULAR MEETING MINTUES BY LAWNAE HUNTER SECOND BY DEBRA GISRIEL

MOTION CARRIED BY UNANIMOUS VOTE

- E. Date of the Next Meeting: 04.05.21, to begin at 10am and will be held via Zoom video conference.

II. PUBLIC COMMENT – Chair MacLean. None.

- 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 – Chair MacLean. Log.

- A. Robert Tessmer - Chair MacLean asked Mr. Tessmer to explain the basis for his waiver request and he responded that his career had consisted of property searches, purchasing, rebuilding, and renovating. He also explained that as a veteran his goals were to work with disabled veterans and assist them with finding homes. Pat Ihnat asked Mr. Tessmer to explain how his experience met with the waiver request requirements and he explained that he his experience included lease negotiations, writing leases, and contract management. Vice Chair Ihnat asked Mr. Tessmer if he planned to employ brokers and he responded that at some point he would be employing brokers. Lawnae Hunter asked Mr. Tessmer to provide a summary of his supervisory experience and he responded that he had vast experience with contract management and managing people with setting their career enhancement guidelines. Lawnae Hunter also asked Mr. Tessmer if he was familiar with the financial responsibilities required of a principal broker. Mr. Tessmer explained that he was familiar with the financial responsibilities. Dave Hamilton asked Mr. Tessmer what

experience he had with overseeing several brokers and ensuring that they follow proper guidelines and he responded he would have a business plan in place to facilitate proper supervision. Discussion: Chair MacLean asked Mr. Tessmer to elaborate on his connection to Mr. Larkin. Mr. Tessmer explained that his relationship with Mr. Larkin was as a mentor and seeking his advice/input on certain situations. Susan Glen asked Mr. Tessmer if he had considered working under the supervision of a principal broker for a period of time and he responded that he would not work well in that type of setting or environment.

**MOTION TO APPROVE ROBERT TESSMER'S EXPERIENCE WAIVER REQUEST BY LAWNAE HUNTER
SECOND BY PAT IHNAT**

MOTION FAILS BY TIE VOTE (AYES: LAWNAE HUNTER, SUSAN GLEN, PAT IHNAT, ALEX MACLEAN. NAYS: MARIE DUE, DEBRA GISRIEL, KIM HEDDINGER, DAVE HAMILTON)

- B. Eric Zechnelley - Mr. Zechnelley asked Chair MacLean the reason the board denied his previous waiver request on 12.7.20 and both Chair MacLean and Dave Hamilton responded that the reason for the denial was lack his of experience. Vice Chair Ihnat stated that she would be inclined to support Mr Zechnelley's waiver request based on his college degree. David Malcolm, attorney for Mr. Zechnelley, explained that he reviewed the last 5 years of waiver requests and board meeting minutes and determined that Mr. Zechnelley has met the requirements for to qualify for a waiver request.

MOTION TO APPROVE ERIC ZECHNELLEY'S WAIVER REQUEST BY PAT IHNAT

SECOND BY LAWNAE HUNTER

MOTION CARRIED BY UNANIMOUS VOTE

- IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER – Chair MacLean. None.**
- V. BOARD ADVICE/ACTION – Commissioner Strode. None.**
- VI. NEW BUSINESS - Commissioner Strode. 2021 Governor's State Employee Food Drive.**
- VII. COMMUNICATIONS - ADMINISTRATIVE ACTIONS SUMMARY - Chair MacLean**
- VIII. REPORTS – Chair MacLean.**
- A. Commissioner Strode
- Agency is preparing for the budget presentation
 - Agency rules have been filed and will go into effect January 1, 2021.
- B. Agency division report - Deputy Commissioner Higley
1. Regulations, Deputy Commissioner Higley.
 - Staffing
 - Regulations Manager vacancy will be placed by June 2021
 - Meghan Lewis was promoted to lead compliance coordinator on a permanent basis
 - Budget update and summary of statistics provided in written report
 2. Administrative Services Division, Mesheal Heyman
 - Overview summary of statistics and information provided in written division report
 - OREN-J, board members should contact Mesheal regarding submitting articles
 3. Land Development Division, Michael Hanifin
 - Overview of statistics and information provided in written report
 - Legislative update
 4. Education and Licensing, Mesheal Heyman
 - Staffing
 - Administrative Specialist 2 positions have been filled internally
 - Recruitment for bilingual Administrative Specialist 1 is in progress
 - Summary of statistics and information provided in written report
 - PSI proctor exams launched due to COVID-19
- IX. ANNOUNCEMENTS – Chair Hunter. Next board meeting: 04.05.21 to begin at 10am and will be held via Zoom video conference.**
- X. ADJOURNMENT – Chair Hunter**

Respectfully submitted,

STEVE STRODE, COMMISSIONER

Respectfully submitted,

LAWNAE HUNTER, BOARD CHAIR

OREGON REAL ESTATE AGENCY – Experience Requirement Waiver Request Log (2018-2021)

<p>AGENDA ITEM NO. III.</p>
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DATE	NAME	LICENSE TYPE	APPROVED/DENIED	FACTS AND BOARD DISCUSSION
04.02.18	Ross Kelley	PB	Denied	<p>FACTS: Ross Kelley requests a waiver of experience to become a principal broker. Mr. Kelley explained his request was based on his legal experience on both residential and commercial real estate and also that his business model would be a small scale of commercial properties. Dave Koch asked Mr. Kelley about his attitude towards managing and Mr. Kelley responded that his goal would be to provide exemplary service and he has reviewed ORS Chapter 696. Mr. Koch asked Mr. Kelley if he had supervision experience and Mr. Kelley responded that has supervised paralegals, attorneys and in his current position as well. Alex MacLean asked Mr. Kelley if he has had any experience with day to day transaction activity and Mr. Kelley responded he has worked with many brokers as well as buyers and sellers.</p> <p>MOTION TO DENY MR. KELLEY’S REQUEST FOR WAIVER OF EXPERIENCE AND RECOMMEND MR. KELLEY MAKE HIS REQUEST AFTER ONE YEAR OF EXPERIENCE BY DAVE KOCH SECOND BY PAT IHNAT MOTION CARRIED BY UNANIMOUS VOTE</p>
06.04.18	Ryan McGraw	PB	Approved	<p>FACTS: Ryan McGraw requests experience waiver to become principal broker. Mr. McGraw appeared and explained the basis for his request for waiver was that he has practiced real estate law in some form for 9 years. He also explained that for the past 2 years he has been the equivalent to a principal broker in California, however, he relocated to Oregon and did not build the business in California. Mr. McGraw obtained his broker license in Oregon about a year ago and has handled some transactions but his goal was to build a residential property management business while continuing to sell homes. Dave Koch asked Mr. McGraw what supervisory experience he had. Mr. McGraw responded that for the last 6 years he has been responsible for supervising 22 staff in his current role. Dave Hamilton asked Mr. McGraw if he was operating as both realtor with a company and also the energy company. Mr. McGraw responded that he was operating as both. Commissioner Bentley clarified the area of concern for board members was Mr. McGraw his lack of experience in supervising new licensees and Mr. McGraw responded that he agreed with that concern and would only take on licensees that are fully experienced. Discussion: Alex MacLean stated although Mr. McGraw’s lack of experience with supervision was a concern Mr. MacLean was in support of approval of this motion. Mr. Koch asked Mr. McGraw to expand on his management process/experience and Mr. McGraw described how he has handled various personnel issues as a manager/supervisor. Jose Gonzalez also expressed his support for approval of this motion. Pat Ihnat asked Mr. McGraw how he handled lease negotiations and Mr. McGraw responded that he has been involved as supervising and also has used brokers.</p> <p>MOTION TO APPROVE RYAN MCGRAW’S REQUEST FOR WAIVER OF EXPERIENCE BY LAWNAE HUNTER SECOND BY PAT IHNAT MOTION CARRIED BY UNANIMOUS VOTE</p>
12.10.18	Joseph Edwards	PB	Withdrawn	<p>Joseph Edwards requests an experience waiver, Mr. Edwards contacted the agency to cancel his appearance due to unsafe road conditions.</p>
04.01.19	Ross Kelley	PB	Denied	<p>Ross Kelley requests experience requirement waiver. Chair Farley asked Mr. Kelley to expand on the basis of his request for a waiver. Mr. Kelley explained that since his appearance before the board about a year ago he had completed two transactions and had a listing pending. Mr. Kelley stated that becoming a principal broker would allow him to provide quality service to his clients and also open his own real estate brokerage firm.</p> <p>DISCUSSION: Alex MacLean expressed his appreciation to Mr. Kelley for appearing before the board for a second time and also encouraged him to continue gaining the required experience to become a principal broker. Jose Gonzalez explained that his personal experience of learning from principal brokers was instrumental for him in becoming a principal broker.</p> <p>MOTION TO DENY ROSS KELLEY’S REQUEST FOR WAIVER BY DEBRA GISRIEL SECOND BY DAVE HAMILTON</p>

6.3.19	Ruth Howard	PB	Approved	<p>MOTION CARRIED BY UNANIMOUS VOTE</p> <p>Ruth Howard requested a waiver of experience to become a principal broker. Howard appeared in person. Howard explained the basis for her request. Worked in real estate as a secretary for an office in 1980. Over the years she owned a small business and leased homes for a retirement community, She then got her real estate license. She was asked by the outgoing principal broker and the president of her current company to become the principal broker despite not having the required experience. Dave Koch asked if Laurie Thiel had comments. Thiel spoke on Howard's behalf. Koch recused himself from the vote, but recommended approval comments. Thiel spoke on Howard's behalf, Koch recused himself from the vote, but recommended approval of the request. Pat Ihnat commented that Koch is usually is the one that questions experience waiver requests) and that Koch's support is uncharacteristic. Howard explained how her leasing experience helped her in professional real estate. Lawnae commented favorable on 1-Ioward1s background, Ihnat asked how many are in the office now. Howard responded 20. Lawnae asked about trust accounting experience. Debra Gisriel asked if there is another principal broker in the office who can step in, Thiel stated that there are licensees that who could meet the requirements but no one with the desire or skills to manage, Gisriel suggested that Howard take the Principal Broker Advanced Practices course and the Principal Broker Academy right away. Dave Hamilton asked question about transaction issues. Alex MacLean inquired about time line for Bill (current PB in the office) to mentor, number of deals occurring in office and experience of brokers in office. MacLean also asked how many RE/MAX offices are in Portland, where are management meetings held, if other RE/MAX management is available to her as a resource, and what her plans are for growing office. Koch commented on history of office. MacLean confirmed Bill is retiring from management of office, not from real estate business, and asked about Dave Koch's relationship with the office and RE/MAX. Ihnat commented when Howard obtains a principal broker license, she could leave RE/MAX and open her own office. Jef Farley commented on the shortcomings of the law requiring only three years of active licensed experience to obtain a principal broker license.</p> <p>DISCUSSION: Dave Hamilton commented he considers Dave Koch's recommendation. Lawnae agreed. Pat said leasing experience similar. Susan commented on past leasing experience and number of transactions completed.</p> <p>MOTION TO APPROVE RUTH HOWARD'S REQUEST FOR WAIVER OF EXPERIENCE BY PAT IHNAT. SECOND BY DEBRA GISRIEL.</p>
2.3.20	Christopher Ambrose	PB	Approved	<p>Christopher Ambrose, Mr. Ambrose explained that he had been practicing attorney with Ambrose Law Group and an active attorney for approximately 30 years. He also stated that he was one of three owners of Total Real Estate Group LLC, which is a residential brokerage based out of Bend and his waiver request is based on his hands on experience as well as working very closely with the principal broker employed at Total Real Estate Group. Mr. Ambrose reported his company closed approximately 70 ns last year, bringing in 55 million in sales and that he had worked with and assisted in the selection of software. Alex MacLean asked Mr. Ambrose how his becoming a principal broker would affect the current principal broker at the company. Mr. Ambrose explained that he would continue to work closely with the principal broker but focus on managing the office and allocating duties while principal broker would continue to produce. Dave Hamilton asked Mr. Ambrose is the current principal broker was a principal in the company and Mr. Ambrose stated current principal broker is not a principal in the company. Discussion: Pat Ihnat, Dave Hamilton and Kim Heddingler all stated that they advocated the approval of the Mr. Ambrose's waiver request based on his experience in both the legal and real estate industry. Ms. Heddingler asked Mr. Ambrose if his intention was to continue to practice law and Mr. Ambrose affirmed.</p> <p>MOTION TO APPROVE CHRISTOPHER AMBROSE'S WAIVER REQUEST BY ALEX MACLEAN SECOND BY PAT IHNAT MOTION CARRIED BY UNANIMOU VOTE</p>
12.07.20	Jerry Jones	PB	DENIED	<p>Chair Hunter asked Mr Jones to explain the basis for his waiver request and he responded that he had held various business roles in the real estate industry, such as development projects, commercial management firm. He also explained that he wanted to expand to a brokerage firm and that having the principal broker designation would be a tremendous professional benefit. Susan Glen asked Mr Jones if he was aware of the 3 year requirement previously and re responded that he was aware of the requirement. Marie Due asked Mr. Jones if he had management experience. Mr. Jones explained that he had managed teams of 2 to 3 brokers and upwards of 20. Pat Ihnat stated that managing brokers requires dealing with substantive issues rather than broad management. Jose Gonzalez asked Mr. Jones what options were available to him if his waiver request were to be denied and Mr. Jones replied that the principal broker who plans on retiring would postpone his retirement if necessary.</p> <p>MOTION TO DENY JERRY JONES'S 3 YEAR EXPERIENCE WAIVER REQUEST BY ALEX MACLEAN SECOND BY MARIE DUE</p>

				MOTION CARRIED BY UNANIMOUS VOTE
12.07.20	Eric Zechenelly	PB	DENIED	Chair Hunter asked Mr. Zechenelly to explain the basis for his waiver request and he responded that his family owns and operates multiple businesses relating to various areas of real estate, which he has been involved in since he was in high school. He also explained that he received a Master Degree in Real Estate Development from Portland State University. Alex MacLean asked Mr. Zechnelly who he would be managing and what type of business and he responded that the business was a manufactured home company involving commercial real estate transactions and he would be managing a couple of brokers. Pat Ihnat asked Mr. Zechnelley how he believed his degree weighed in on answering questions from brokers and he replied that many of the courses he took covered law/rule content along with transaction processes. DISCUSSION: Pat Ihnat stated although Mr. Zechnelly's experience was with manufactured homes, his course study and degree were impressive. Alex MacLean stated Mr. Zechnelley's would benefit from more management experience. MOTION TO DENY ERIC ZECHNELLY'S 3 YEAR EXPERIENCE WAIVER REQUEST BY ALEX MACLEAN SECOND BY DAVE HAMILTON MOTION CARRIED BY UNANIMOUS VOTE
02.01.21	Robert Tessmer	PB	MOTION FAILED – TIE VOTE	Chair MacLean asked Mr. Tessmer to explain the basis for his waiver request and he responded that his career had consisted of property searches, purchasing, rebuilding, and renovating. He also explained that as a veteran his goals were to work with disabled veterans and assist them with finding homes. Pat Ihnat asked Mr. Tessmer to explain how his experience met with the waiver request requirements and he explained that he his experience included lease negotiations, writing leases, and contract management. Vice Chair Ihnat asked Mr. Tessmer if he planned to employ brokers and he responded that at some point he would be employing brokers. Lawnae Hunter asked Mr. Tessmer to provide a summary of his supervisory experience and he responded that he had vast experience with contract management and managing people with setting their career enhancement guidelines. Lawnae Hunter also asked Mr. Tessmer if he was familiar with the financial responsibilities required of a principal broker. Mr. Tessmer explained that he was familiar with the financial responsibilities. Dave Hamilton asked Mr. Tessmer what experience he had with overseeing several brokers and ensuring that they follow proper guidelines and he responded he would have a business plan in place to facilitate proper supervision. Discussion: Chair MacLean asked Mr. Tessmer to elaborate on his connection to Mr. Larkin. Mr. Tessmer explained that his relationship with Mr. Larkin was as a mentor and seeking his advice/input on certain situations. Susan Glen asked Mr. Tessmer if he had considered working under the supervision of a principal broker for a period of time and he responded that he would not work well in that type of setting or environment. MOTION TO APPROVE ROBERT TESSMER'S EXPERIENCE WAIVER REQUEST BY LAWNAE HUNTER SECOND BY PAT IHNAT MOTION FAILS BY TIE VOTE (AYES: LAWNAE HUNTER, SUSAN GLEN, PAT IHNAT, ALEX MACLEAN. NAYS: MARIE DUE, DEBRA GISRIEL, KIM HEDDINGER, DAVE HAMILTON)
02.01.21	Eric Zechenelly	PB	APPROVED	Eric Zechnelley - Mr. Zechenelly asked Chair MacLean the reason the board denied his previous waiver request on 12.7.20 and both Chair MacLean and Dave Hamilton responded that the reason for the denial was lack his of experience. Vice Chair Ihnat stated that she would be inclined to support Mr Zechenelly's waiver request based on his college degree. David Malcolm, attorney for Mr. Zechenelly, explained that he reviewed the last 5 years of waiver requests and board meeting minutes and determined that Mr. Zechenelly has met the requirements for to qualify for a waiver request. MOTION TO APPROVE ERIC ZECHENELLY'S WAIVER REQUEST BY PAT IHNAT SECOND BY LAWNAE HUNTER MOTION CARRIED BY UNANIMOUS VOTE
04.05.21	Robert Tessmer	PB		

Oregon Real Estate Board
Experience Requirement Waiver Request

Date: 1-4-2021

Name ROBERT TESSMER

Address: 933 HIATT ST LEWISDA OR 97355

Daytime Phone Number: 541-990-9985 Oregon License Number: 201231455

GENERAL INFORMATION AND DOCUMENTATION

- I am seeking an experience requirement waiver to become a real estate PRINCIPAL BROKER. (ORS 696.022 and OAR 863-014-0040)
- I am currently licensed as a real estate broker in Oregon: Yes ___ No X
If yes, please state the dates for which you held an Oregon real estate license: ___ to ___
Was your Oregon license obtained through a reciprocal agreement with another state? Yes ___ No ___
- I am currently licensed or have held a real estate license in another state that was issued by the state's licensing authority: Yes ___ No X. Indicate the following

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

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

	Yes	No	Date Completed	Additional Required Information	Agency Use Only
Completed the "Broker Administration and Sales Supervision" course for principal real estate brokers. Must be completed PRIOR to waiver request.	<u>X</u>		<u>Feb 5 2019</u>	Attach original course certificate. <u>16</u>	
Submitted the Real Estate License Application for Principal Broker license and \$300 fee. Must be completed PRIOR to waiver request.	<u>X</u>		<u>Feb 6 2019</u>	Attach copy of confirmation letter from Agency.	
Successfully passed the Oregon Principal Broker exam. Must be completed PRIOR to waiver request.	<u>X</u>		<u>Sept 28 2020</u>	National Score: <u>61</u> State Score: <u>40</u>	
Graduated from a four-year college or university with a degree in real estate curriculum approved by the Commissioner.(863-014-0042)		<u>X</u>		Attach official transcript to request, if any.	
Graduated with a two-year community college associates degree in real estate curriculum approved by the Commissioner. (863-014-0042)		<u>X</u>		Attach official transcript, if any.	
Substantial real estate-related experience equivalent to at least 3 years active licensed experience. Include any real estate designations achieved. (OAR 863-014-0042)	<u>X</u>		<u>Successful completion of over 55 transactions - purchase - sell</u>	Attach a written details about your additional real estate experience that would assist in the Board's consideration of your waiver request.	

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

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

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

HELPFUL DOCUMENTS

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

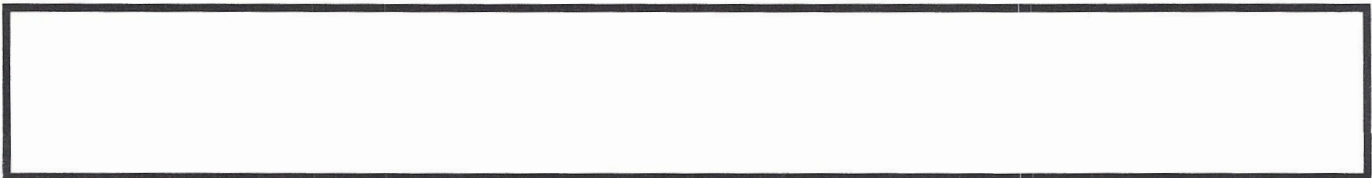
- o Letters of reference pertaining to your real estate experience
- o Letters of reference from current or past supervising principal brokers
- o Supervisory experience
- o Familiarity and experience in other related industries: escrow, title, mortgage, etc.

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 email all documents, including this completed and signed “Experience Requirement Waiver Request,” to madeline.c.alvarado@state.or.us.**

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

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



2020 BOARD MEETING DATES

<u>MEETING DATE</u>	<u>LOCATION</u>	<u>WAIVER PACKET DUE DATE</u>
February 3, 2020	Eugene	January 13, 2020
April 6, 2020	Teleconference	March 16, 2020
June 1, 2020	Teleconference	May 11, 2020
August 3, 2020	Videoconference	July 13, 2018
October 5, 2020	Videoconference	September 14, 2018
December 7, 2020	Videoconference	November 16, 2018

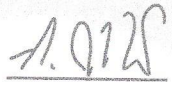

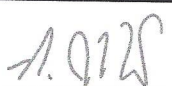
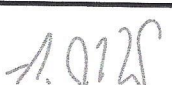

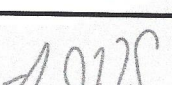
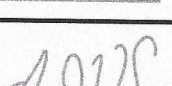


Oregon Real Estate Broker Pre-License Training

Be It Known That

Robert Tessmer

has completed the following courses through this institution and received a passing grade of "C" or its equivalent. The Oregon Real Estate Agency has approved each course for its indicated clock hours. This institution maintains a copy of this transcript for 25 years.

Course	Signature of School Official (N. Jeffrey Sorg or Chris Culbertson)	Date of Test
Module 1- Agency (15 hours)		Feb 8, 2019
Module 2- Contracts (15 hours)		Feb 9, 2019
Module 3- Real Estate Law (30 hours)		Nov 15, 2019
Module 4- Practices (30 hours)		Nov 18, 2019
Module 5- Brokerage (20 hours)		Nov 20, 2019
Module 6- Finance (30 hours)		Sep 15, 2020
Module 7- Property Management (10 hours)		Sep 16, 2020

Certificate Authentication Number: 933898

Principal Broker Course Completion Certificate

THIS CERTIFICATE WILL VERIFY THAT:

Robert Tessmer

Real Estate License Number: N/A

Mailing Address of:
933 Hiatt St, Lebanon, OR 97355

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

Brokerage Administration and Sales Supervision

The course credit granted is **40 hours** on the date of **February 5, 2019** at www.OnlineEd.com. The date of completion is the date the actual Internet study course examination was actually taken and graded. This course is approved by the Oregon Real Estate Agency to meet the requirements of the Oregon Principal Real Estate Broker - Brokerage Administration and Sales Supervision 40 hour course required as a prerequisite to obtaining an Oregon Principal Real Estate Brokers License.

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

OREGON REAL ESTATE AGENCY CERTIFIED CONTINUING EDUCATION COURSE

PROVIDER COURSE NUMBER: **1038-1039**

THIS COURSE WAS SPONSORED AND THIS CERTIFICATE ISSUED BY:



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

Certificate Authentication Number: 630157

This certificate is void if the above authentication number cannot be verified by OnlineEd
Click to verify: <https://www.onlineed.com/VERIFY?4AE7-D93D-1080-6001-05D9>



CONTINUING EDUCATION IN REAL ESTATE

Course Completion Certificate

This Certificate Will Verify That:

Robert Tessmer

(Name of Attendee)

Real Estate License Number: 201231455

Mailing Address of:

933 Hiatt St, Lebanon, OR 97355

has completed and successfully passed a final examination for the course entitled: **Principal Broker Advanced Practices** for Oregon Real Estate Continuing Education in the amount of **27 clock hours** on the date of **September 25, 2020**.

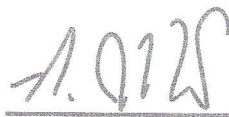
This offering is under the OAR 863-020-0035 topic designation of: **First renewal - Advanced Practices**

OREGON REAL ESTATE AGENCY CERTIFIED CONTINUING EDUCATION COURSE
PROVIDER COURSE NUMBER: **1038-1128**

PROVIDER NUMBER: **1038**

Instructed by: Marilee Mascarenhas

THIS COURSE WAS SPONSORED AND THIS CERTIFICATE ISSUED BY:



OnlineEd Inc.

N. Jeffrey Sorg, School Director

7405 SW Beveland Road, Portland, OR 97223

mail@OnlineEd.com, <https://www.onlineed.com/>

Phone: (503) 670-9278

Certificate Authentication Number: 1411111

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

Click to verify: <https://www.onlineed.com/VERIFY?C9EC-884F-3026-E06D-1C75>



CONTINUING EDUCATION IN REAL ESTATE

Course Completion Certificate

This Certificate Will Verify That:

Robert Tessmer

(Name of Attendee)

Real Estate License Number: 201231455

Mailing Address of:

933 Hiatt St, Lebanon, OR 97355

has completed and successfully passed a final examination for the course entitled: **Law and Rule Required Course (LARRC) for 2020-2021** for Oregon Real Estate Continuing Education in the amount of **3 clock hours** on the date of **September 18, 2020**.

This offering is under the OAR 863-020-0035 topic designation of: **Real Estate Law and Regulation**

OREGON REAL ESTATE AGENCY CERTIFIED CONTINUING EDUCATION COURSE
PROVIDER COURSE NUMBER: **1038-1139**

PROVIDER NUMBER: **1038**

Instructed by: Jeff Sorg, Marilee Mascarenhas

THIS COURSE WAS SPONSORED AND THIS CERTIFICATE ISSUED BY:



OnlineEd Inc.

N. Jeffrey Sorg, School Director

7405 SW Beveland Road, Portland, OR 97223

mail@OnlineEd.com, <https://www.onlineed.com/>

Phone: (503) 670-9278

Certificate Authentication Number: 1411112

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

Click to verify: <https://www.onlineed.com/VERIFY?B506-88E7-4022-F098-1485>





Robert Tessmer <roberhtessmer@gmail.com>

[OnlineEd] Course Complete

1 message

OnlineEd <mail@onlineed.com>
To: roberhtessmer@gmail.com

Sun, Jan 6, 2019 at 11:19 AM



Congratulations!

You have completed "Oregon Construction Contractor License Training."

If you HAVE NOT already submitted your timesheet with the documented 16 hours of study:

Before the Construction Contractors Board (CCB) can be notified of your course completion, you need to submit your completed timesheet. The timesheet must document the minimum 16 hours of study time, which can include the time you spent reading the NASCLA Contractors Guide, watching the online review videos, and taking the online practice exams.

Please log into your online account for instructions on how to submit your timesheet.

We hope you enjoyed the material and learned something valuable! Your course access will remain open for up to a year from the time of purchase. We encourage you to print out or download any of the course materials that you feel would be of future benefit to you.

Thanks again! We wish you the best in your career.

You can access your records by logging into your account at <http://onlineed.com/login> and log in with your username **roberhtessmer@gmail.com**. If you do not know or remember your login name and password, please visit the login recovery page at <http://onlineed.com/forgotlogin>.

OnlineEd

7405 SW Beveland
Portland, OR 97223
In Oregon: (503) 670-9278
Toll-free outside Oregon: (866) 519-9597
<http://www.onlineed.com/>
mail@onlineed.com

December 2, 2020

To Whom It May Concern:

I have known and worked with Robert Tessmer since February 2016 where we both worked for the City of Portland within the Facilities Department of the Office of Management and Finance under direction of the Mayor. Rapport with Robert came easily from the very beginning, considering Roberts vast knowledge of real estate and myself a licensed Real Estate Broker in Oregon since 2005 and concurrently in Hawaii since 2010.

Robert has always been enthusiastic, professional and dependable. His tireless work efforts helped immensely with the property development and leasing of multiple commercial spaces including Portland Union Station.

I highly recommend Robert for opportunities that allow him to be actively involved with property development and management, acquisitions, and dispositions. He will be a great addition to the Principal Broker community of Oregon.

Best Regards,



Sue Connelly
Realtor Broker

alohahawaiisue@gmail.com

(971) 777-3219

Tamara Brown Hardy
20502 NE Wistful Vista Drive
Fairview OR 97024

December 4, 2020

To whom it may concern:

I am pleased to write this letter of recommendation for Robert Tessmer. I have known Bob as a colleague and friend for over 7 years and have found him to be a man of excellent moral character.

Bob and I worked together at the City of Portland from 2011-2017 and I am familiar with his knowledge of and passion for real estate. During our time at the City, we worked side by side on several real estate and facilities-relation projects. In each instance, Bob was consistently honest, ethical and instrumental in leading the projects through to fruition.

In short, I would attest to Robert Tessmer being a trustworthy, positive and honorable person who can be relied upon; whether as a valued team member in a professional setting, or as a friend for those fortunate enough to spend time with him.

Please feel free to contact me regarding this recommendation if required.

Sincerely,

Tamara Brown Hardy
Port of Portland

Facilities, Distribution & Support Services Manager



①

JK



December 7, 2020

To whom it may concern,

I have worked closely with Bob Tessmer for two years. During the period time I worked with Bob, he was the facilities manager for a local credit union and our firm assisted in the disposition of non-core assets for the credit union. Bob was instrumental in getting the properties ready for the market, communicating with the local contacts at each property, ensuring our firm had the necessary documentation, and advising on the strategy for dispositions among other tasks. Bob was always professional and quick to get us the answers and information we needed to fulfill our role successfully.

I enjoyed working with Bob during his time at the credit union on a professional and personal level. I have no hesitations for recommending him and he would be a great addition to any organization.

If you have any further questions, I can be reached at 503-975-9301.

Sincerely

A handwritten signature in black ink, appearing to read "Riley Henderson".

Riley Henderson
Broker, NAI Elliott

•
•
•
•
•
•
•
•

Mike Larkin
c/o NAI Elliott
901 NE Glisan
Portland, OR 97232

Dear Sir or Madam:

I have had the privilege to work with Bob Tessmer in various commercial real estate capacities since 2008. Bob has always presented himself with the utmost integrity. Bob has been a trustworthy resource and man of great character in my varied professional dealings with him. He has always made clear the importance of making a positive impact on his family and community in both personal and professional ventures.

Please feel free to contact me if you wish to discuss in greater detail.

Sincerely,

Mike Larkin

Mike Larkin
Real Estate Asset Manager, Oregon Principal Broker
Elliott Associates, Inc dba NAI Elliott

• • • • •

August 24, 2020

Letter of recommendation for Robert Tessmer

To whom it may concern:

I had the pleasure of working with Bob for approximately two years at a local financial institution.

Bob was always willing to go above and beyond to complete the job and look for efficiencies while doing it. My experience with Bob as a team mate was always pleasant, he is a joy to be around and has a happy personality.

I would recommend Bob for any role he feels he will be successful in performing. He is dependable and reliable and I would welcome the opportunity to work again with Bob in the future.

Sincerely,

Paula Franz

Paula Franz

541-285-5769



City of Portland
Bureau of
Human Resources
Knowledgeable | Helpful | Responsive

Anna Kanwit, Director
1120 SW 5th Ave., Rm. 404
Portland, Oregon 97204-1912
(503) 823-3572
Fax (503) 823-4156

Office of Management and Finance

Tom Rinchar, Chief Administrative Officer

To whom it may concern,

It's my absolute pleasure to recommend Bob Tessmer for a position within your organization.

Bob and I have worked together for over five years. I thoroughly enjoyed my time working with Bob, and came to know him as a truly valuable asset. He is honest, dependable, and incredibly hard-working.

Bob's knowledge of Project Management and expertise in Facilities Management was a huge advantage to our Bureau. He put this skillset to work in order to complete various tasks including the Bureau of Human Services carpet/reconfiguration project.

Along with his undeniable talent, Bob has always been an absolute joy to work with. He is a true team player, and always manages to foster positive discussions and bring the best out of other employees.

Without a doubt, I confidently recommend Bob Tessmer to join your team. As a dedicated and knowledgeable employee and an all-around great person, I know that he will be a beneficial addition to your organization.

Please feel free to contact me at 503-823-6118 should you like to discuss Bob's qualifications and experience further. I'd be happy to expand on my recommendation.

Best wishes,

Larry T. Nelson

Bureau of Human Resources Finance Manager

City of Portland, Oregon

Ted Wheeler Mayor

We are an equal opportunity employer

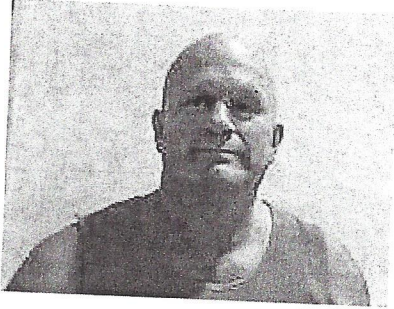
Please notify the City of Portland of the need for ADA accommodations no less than five (5) days prior to any City-sponsored event by contacting the Bureau of Human Resources at 503-823-3572 or the City's TTY at 503-823-6001.



Oregon Real Estate Agency

Real Estate Broker

Score Report



Robert Tessmer

933 Hiatt St

Lebanon, Oregon 97355

Candidate ID: XXX-XX-1455

Exam: OR Principal Broker Exam - OR Principal Broker - National

Exam Date: 09/28/2020

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.

Topic	Number of Questions	Number Correct
Property ownership	7	6.0
Land use controls and regulations	4	4.0
Valuation and market analysis	5	5.0
Financing	6	5.0
General principles of agency	9	7.0
Property disclosures	5	2.0
Contracts	13	12.0
Leasing and Property Management	4	3.0
Transfer of Title	6	5.0
Practice of real estate	10	8.0
Real estate calculations	6	4.0

THIS IS NOT A LICENSE. Do not conduct professional real estate activity until you are notified by the Oregon Real Estate Agency that you are licensed.

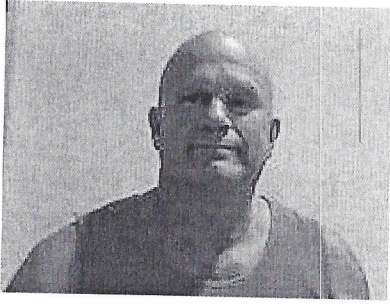
- Your fingerprint results can take up to 4 weeks to reach the Agency.
- The Agency will receive your exam scores in 3 business days.
- Check the status of your license application by logging in to your eLicense account at <https://orea.elicense.irondata.com..>
- Passing exam scores and background clearances are good for 1 year. The Agency can only issue a license while your scores and background clearance are valid.
- The requirements for your specific license can be found via the "Get a License" link at www.oregon.gov/rea.
- Once all license requirements are completed, including association to a registered business name (RBN), the Agency will issue a license.

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



Robert Tessmer

933 Hiatt St

Lebanon, Oregon 97355

Candidate ID: XXX-XX-1455

Exam: OR Principal Broker Exam - OR Principal Broker - State

Exam Date: 09/28/2020

PASSING SCORE: 38.0 (75%)

YOUR SCORE: 40.0

GRADE: PASS

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

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

Topic	Number of Questions	Number Correct
License Law and Disciplinary Measures	5	4.0
Handling of Client Funds	7	5.0
Agency Law and Rules	4	3.0
Regulation of Broker Activities	8	6.0
Document Handling and Recordkeeping	4	4.0
Property Management	8	6.0
Oregon Real Estate Related Statutes	14	12.0

THIS IS NOT A LICENSE. Do not conduct professional real estate activity until you are notified by the Oregon Real Estate Agency that you are licensed.

- Your fingerprint results can take up to 4 weeks to reach the Agency.
- The Agency will receive your exam scores in 3 business days.
- Check the status of your license application by logging in to your eLicense account at <https://orea.elicense.irondata.com..>
- Passing exam scores and background clearances are good for 1 year. The Agency can only issue a license while your scores and background clearance are valid.
- The requirements for your specific license can be found via the "Get a License" link at www.oregon.gov/rea.
- Once all license requirements are completed, including association to a registered business name (RBN), the Agency will issue a license.

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



Robert Tessmer <roberhtessmer@gmail.com>

Oregon Real Estate Principal Broker Application Received Confirmation

1 message

Oregon Real Estate Agency <noreply_rea@rea.state.or.us>
Reply-To: Oregon Real Estate Agency <orea.info@oregon.gov>
To: Robert Henry Tessmer <roberhtessmer@gmail.com>

Wed, Feb 6, 2019 at 2:31 PM

Dear Robert Henry Tessmer,

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 #201231455. Please keep this number for future use when contacting the Agency.
- Check your application status by logging into your eLicense account at <https://orea.elicense.irondata.com/>. Your license requirements will display under the Application Status tab.
- Agency records show that you must complete the following education from approved course providers to be eligible to take the principal broker license exam (only courses completed on or after January 1, 2013 qualify):
 - The broker pre-license course of study, consisting of 7 courses for a total of 150 hours, and
 - The 40-hour Brokerage Administration and Sales Supervision course.
- For more information on license requirements, please visit [Principal Broker License Requirements](#).

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

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



DEPARTMENT OF VETERANS AFFAIRS
810 Vermont Ave NW
Washington, D.C. 20420

July 08, 2020

Robert H Tessmer
933 Hiatt St
Lebanon, OR 97355

In Reply Refer to:
27/eBenefits

Dear Mr. Tessmer:

This letter is a summary of benefits you currently receive from the Department of Veterans Affairs (VA). We are providing this letter to disabled Veterans to use in applying for benefits such as state or local property or vehicle tax relief, civil service preference, to obtain housing entitlements, free or reduced state park annual memberships, or any other program or entitlement in which verification of VA benefits is required. Please safeguard this important document. This letter is considered an official record of your VA entitlement.

Our records contain the following information:

Personal Claim Information

Your VA claim number is:
You are the Veteran.

Military Information

Your most recent, verified periods of service (up to three) include:

Branch of Service	Character of Service	Entered Active Duty	Released/Discharged
Navy	Honorable	November 02, 1981	August 05, 1988

(There may be additional periods of service not listed above.)

VA Benefit Information

You have one or more service-connected disabilities: Yes
Your combined service-connected evaluation is:
Your current monthly award amount is:
The effective date of the last change to your current award was:
You are considered to be totally and permanently disabled due solely to your service-connected disabilities:

You should contact your state or local office of Veterans' affairs for information on any tax, license, or fee-related benefits for which you may be eligible. State offices of Veterans' affairs are available at <http://www.va.gov/statedva.htm>.

How You Can Contact Us

- If you need general information about benefits and eligibility, please visit us at <https://www.ebenefits.va.gov> or <http://www.va.gov>.
- Call us at 1-800-827-1000. If you use a Telecommunications Device for the Deaf (TDD), the number is 1-800-

Robert Tessmer

933 Hiatt Street, Lebanon, OR 97355

541-990-9985, oberthtessmer@gmail.com" roberthtessmer@gmail.com

March 18, 2021

RE: Principal broker experience requirement waiver request for Robert Tessmer

Dear Oregon Real Estate Board:

My request for the 3-year experience waiver is made in light of my extensive real estate experience that is described below that, I believe, meets all the requirements in OAR 863-014-0042. I am a disabled combat veteran with an inability to work in a traditional office environment. My service-connected disabilities resulted from internal injuries. These disabilities affect my activities of daily living.

Included in my completed packet you will find several letters of reference from principal brokers, brokers and professional references. Below is a history of my real estate experience.

I became interested in real estate approximately 30 years ago. I was building and plumbing residential homes for a gentleman named Roy Freeman. He was a retired military officer and banker. He mentored me and coached me through the processes of lending and real estate. We worked closely and he mentored me for over 10 years. During this time, we performed over 65 real estate transactions together including buying vacant lots, selling homes, and personal and private lending.

2008-12 Central Bethany Development

Duties and responsibilities included: real property procurement, development, property management and acquisitions. I was directly responsible for all commercial and residential property management, including 300+ residential apartment units, 85+ condominium units, over 600k square feet (sf) of assisted living and memory care, and over 1.2 m sf of commercial retail properties.

I routinely evaluated and chose vacant commercial land and retail spaces and arranged for the acquisition of these properties. These properties included a large parcel in Gresham with a pawnshop, a strip mall in Hillsboro with multiple tenants, a multi-story commercial building in Hillsboro, a strip mall in Lake Oswego, and multiple commercial and residential properties in Bethany. The properties' acquisition prices were \$325k-\$3m. This list is not all-inclusive.

My daily duties included oversight of property managers, contract management, contract negotiations, development of unique commercial retail rental contracts, management of \$1+m of trust funds, accounting, advertising, marketing and maintenance management. I networked with numerous principal brokers, brokers and building managers. I kept current on fair housing laws, I prepared competitive market analyses, I generated lists of properties for sale, for rent and listed the availability for financing options, mortgage options and various government programs available. I worked closely with principal brokers, attorneys, loan officers, escrow companies, appraisers and arranged for financing for property purchases. I assessed income potential for potential purchases when relevant. I maintained awareness of tax regulations, zoning ordinances, building tax laws and growth potentials where properties were located. I managed contractors, vendors, property managers, accountants, maintenance personnel and worked closely with tenants, buyers and sellers.

2012-17

City of Portland

I worked in the Office of Management and Finance. I performed professional-level responsibilities in the planning, design, development, renovation, maintenance, property management, and construction management of commercial structures, multiple high-rises, and historical buildings. I managed commercial leases, contract negotiations, facility development and repairs, custodial, security, and utility contracts for over 325k sf of historical buildings and over 2.2m sf of government office and commercial retail spaces (including The Portland Building, The 1900 Building, City Hall and Union Station). I advised and participated in the acquisition and disposition process for City-owned real properties. I prepared and made recommendations for the disposal, sale and deconstruction of City-owned real properties. I performed risk management studies. I participated in the negotiations of lease and rental agreements and other property management agreements. I assisted with the acquisition and sales of numerous City-owned properties. I reviewed rental data, agreements and collections. I ensured the proper management of trust funds.

I was directly involved in the purchase of 25+ residential single family homes for the City. I was directly involved in multiple purchases and sales of several commercial parcels. I assisted multiple bureaus and departments with resource procurement to purchases properties for the aid of the homeless populations and encampments.

I established and maintained effective working relationships with peers, property managers, bureau managers and staff, representatives of other agencies, and the public, while exercising tact and diplomacy when dealing with difficult and sensitive people, issues, and situations. I managed large and small contracting firms and vendors, including men, women and emerging small business contractors and vendors.

I provided training and management practices that support the City's and bureaus' missions, objectives, and service expectations. I established performance requirements and personal development targets. I monitored performance and provided coaching for staff improvement and development. I supervised and evaluated assigned staff and provided leadership and first-line supervision, training and technical assistance to property managers, manager assistants, skilled and semi-skilled building trades people and craft workers.

I provided leadership and participated in programs and activities that promoted workplace diversity and a positive employee relations environment. I developed teams to improve marketing strategies to promote the City-owned commercial spaces for lease. I worked with minority owned business owners to help them qualify to lease City-owned spaces. I worked with numerous lenders to help secure funding sources for minority owned business owners. I coordinated with City approved contractors and tenants for tenant improvements in commercial leases.

With the sales of the City-owned properties, I secured the properties, assisted with preparing the marketing and marketed the properties for sale. I often showed the properties, answered relevant questions and mitigated concerns. I participated in several commercial property sales. I oversaw several purchase transactions that involved seller lease-back opportunities.

I oversaw capital improvement projects, conducted pre-bid conferences, reviewed and analyzed submitted bids, and advised City bureaus and staff regarding selection of successful bidders. I negotiated contracts, evaluated and processed construction disbursements, monitored construction for contract and code compliance, conducted site visits to check and monitor project progress and compliance, interpreted construction documents, technical specifications, and plans.

I issued verbal and written directives. I acted as mediator and coordinator between contractors and City staff. I checked completed work to ensure contract compliance with all applicable codes, laws, and regulations. I certified completion of assigned projects and authorized contractor payments. I ensured the City received appropriate credits for cost-reducing changes.

I performed risk management studies and reviewed rental data, agreements and collections. I negotiated leases, rental agreements and other property management agreements. I prepared and directed the preparation of analyses, studies, and reports pertaining to the planning, construction, operation, and maintenance requirements for City-owned real properties and developed work plans to meet those requirements. I planned, coordinated, reviewed, and supervised the work of professional personnel engaged in the management of construction, renovation, and rehabilitation projects for City-owned properties and facilities.

While working for the City I consistently received exceptional annual performance reviews. In 2013, I received the City of Portland Safety Champion Award. In 2016, I received the City of Portland Outstanding Service Team Award.

2017 Benton County

I managed the Facilities and Utilities departments while supporting the mission of Public Works and the core values of Benton County. My duties and responsibilities included planning, directing and supervising the operations, maintenance, repair, renovation, and construction of County owned and leased buildings. This included five different County Service District water and sewer systems. I administered contracts; prepared, amended and managed budgets; supervised, hired and trained maintenance and custodial personnel; and directed and monitored professional service, maintenance, and capital project contracts. I managed two separate work programs, the Facilities Division and Utilities Division.

As Facilities and Utilities Manager for Benton County I was responsible for acquisitions of real property and leasing of County-owned properties. I collected rents, collected and deposited trust funds. I drafted and negotiated complex commercial lease agreements; established rental rates; established occupancy terms and conditions; and inspected properties. I terminated lease agreements when appropriate. I worked collaboratively with other County organizations and assisted with their real estate needs. I regularly leased County-owned buildings, and performed moves of personnel, furniture, equipment and technology. Performing these moves required communication and mitigation of constraints. I established lease rates, I worked with title companies and reviewed title reports, I reviewed property details to determine that environmental regulations were being met. I determined the highest and best use for commercial properties.

I developed and monitored a performance-based training program to monitor staff training and document their skill levels. This program increased productivity, systems knowledge, and troubleshooting ability resulting in increased staff morale and contributed to employee recognition and retention.

I mentored and provided staff training opportunities to allow for personnel growth and development within my departments. I scheduled staff for continued training and certifications resulting in cumulative savings of \$7,400.00 per month for my department by having County staff perform functions previously contracted out to vendors.

I provided counseling, created individual performance plans, mentored, documented performance reviews, terminated, and gave recognition and awards.

2018-20

Northwest Community Credit Union

As the Business Operations and Facilities Manager for Northwest Community Credit Union (NCCU) I oversaw 15 branch locations, the corporate headquarters, and numerous commercial rental properties. I was responsible for acquisition of new properties, and sales of existing properties. I wrote and negotiated commercial leases and agreements to develop new and existing properties. I served as capital improvement project manager while simultaneously working on numerous commercial construction projects throughout Oregon. I was responsible for all business operations, budget development, monitoring and budget analysis for the operations and facilities departments. I managed and trained employees, and developed long-term goals for employees. I prepared and wrote capital improvement project technical specifications and project schedules. I worked collaboratively with architects and engineers to develop design criteria and building functionality based upon stakeholder inputs. I communicated and collaborated with various state, local business-oriented entities, the media, and city and county building officials.

As Business Operations and Facilities Manager of a \$15b organization, I wore numerous hats and had multiple responsibilities throughout Oregon. I was responsible for all NCCU-owned and leased commercial properties and facilities. I oversaw all building and NCCU operations for both business operations and facilities operations. I managed all building locations and all building systems including plumbing, HVAC, electrical, technology and security.

I was responsible for procurement of all capital assets (including real estate); property leasing and sales; all construction, property development, tenant improvements, site development; and coordination of all project improvements. I worked closely with community development teams to ensure all interested parties and the media were informed and had clear expectations of all project goals and final project outcome.

I was responsible for writing all-inclusive lease agreements. I collected, deposited and returned trust funds and rents as required to all commercial tenants as needed for NCCU-owned properties. I established lease rates, terms and conditions. I was responsible for coordinating and facilitating all real estate transactions while communicating with multiple stakeholders.

I created annual budgets, performed budget forecasting, I monitored accounting, I was responsible for all property taxes, business licensing, property insurances and code compliances. the ability to breakdown tenant improvement and shell costs. I performed customer billings, mitigated complex financial issues and ensured timeliness of financial performance. While at the credit union I was responsible for timeliness of reports, accuracy of data and reports.

I was responsible for the acquisition of the purchase of a large commercial property and building in Roseburg, and the sale of two large commercial properties (one each in Eugene and Springfield).

2019-Present Security Construction LLC

Owner-Investor Builder. I hold a Level 1 General Contractors license with both residential and commercial endorsements. I am a sole owner – investor for light commercial and residential properties. I regularly research zoning, ordinances and environmental restrictions of properties. I negotiated: the purchase of over a dozen parcels; with sub-contractors and vendors; and the sale of several commercial and residential properties. I partitioned and subdivided properties. As a private investor, I marketed, sold and advertised these properties. These transactions range \$15k-\$1.8m.

1998-Present Siskiyou County Construction

Owner-Investor Builder. I hold a general contractors license and a plumbing license and perform both commercial and residential construction. I bought and sold 25+ vacant residential parcels, constructed multi- and single family homes and duplexes as a private investor. I subdivided numerous parcels, and designed and built several small strip malls / shopping centers. I marketed, advertised and sold these properties as a private investor in northern California. These transactions ranged \$4k-\$1.3m.

Additional certifications:

- Advanced Process Mapping
- Project Management for Municipalities
- OIC State of Oregon Inspector certification
- ICC Certified Commercial Plumbing Inspector
- Certified Home Inspector, Certified Pest and Mold Inspector
- Red Cross Certified CPR / First Aid/ AED/ CPR for Professional Rescuers / Emergency First-Aid
- OSHA Compliance and Workplace Safety: Multiple certifications (available upon request)
- FEMA Emergency Management Response: Multiple certifications (available upon request)
- Department of Consumer Business Services: Multiple certifications (available upon request)

Attached letters of recommendation:

- Sue Connelly – broker (2 states)
- Tamara Brown Hardy – City of Portland, Port of Portland
- Riley Henderson – broker NAI Elliott
- Mike Larkin – principal broker, asset manager, NAI Elliott
- Paula Franz –friend
- Larry Nelson – City of Portland Human Resources

Attached Relevant Documentation of Training

- 2019-20 Oregon 150 hour Broker Pre-License Course
- 2019 Oregon 40 hours of Broker Administration and Sales Supervision
- 2020 Oregon 27 hours of Principal Broker Advanced Practices
- 2020 Oregon 3 hours Oregon Law and Rule Required Course (LARRC)
- 2019 Oregon Construction Contractor License Training
- 2020 National Exam score 61.0
- 2020 State Exam score 40.0

Additional Attached

- 2019 Receipt confirmation for Oregon Real Estate Principal Broker Application
- 2020 Department of Veterans Affairs letter

In conclusion, I respectfully urge the Board to approve my waiver request pursuant to OAR 863-014-0042. I trust the documentation and the attached forms and references demonstrate that I have the sufficient knowledge and experience in the real estate industry to perform as a principal broker. Thank you for your time and consideration.

Sincerely,



Robert Tessmer



MALCOLMLAW LLC

David J. Malcolm, JD • MBA
1511 SW Skyline Blvd., Portland, OR 97221-2502
T 503-805-9587 • F 503-222-3291 • info@malcolm-law.com

March 21, 2021

Oregon Real Estate Agency
530 Center Street NE #100
Salem, OR 97301

Via email to leandra.hagedorn@oregon.gov

RE: Robert Tessmer, principal broker licensee applicant

Dear Oregon Real Estate Board:

I'm writing on behalf of my client, Robert Tessmer, who's applying for a principal broker's license. Robert applied for a waiver of experience in accordance with OAR 863-014-0042 (3)(c)¹. Other than three years of broker experience, Robert meets all requirements for a principal broker's license.

OAR 863-014-0042 (3)(c) has two requirements:

- Real estate related experience equivalent to at least three years' experience as a real estate licensee; and
- The applicant provides written details of such experience.

Robert has decades of real estate experience as detailed in his letter to the Board in his application packet. The following is a summary of Robert's real estate experience:

1. Real Estate Experience.

- During 1992-2002, Robert worked as a co-manager of a small business, 50 County Construction ("**50CC**"). During that decade, Robert worked as a general contractor. 50CC bought and sold over 65 residential and commercial properties. Robert drafted and negotiated of those all of transactions.
- During 2002-08, Robert owned and operated Siskiyou County Construction ("**SCC**"). During that period, Robert worked as a general contractor. SCC bought and sold over 40 residential and commercial properties. Robert drafted and negotiated of those all of transactions.
- During 2008-12, Robert worked as the Corporate Facilities Manager for Central Bethany Development Co. ("**CBD**"). During that period, Robert oversaw the purchase of 11 and sale of 4 commercial properties and performed over 200 commercial and residential leases.
- During 2012-17, Robert worked as the Fire Life Safety Director and Capital Improvement Project Specialist for the City of Portland ("**City**"). During that period, Robert directed the purchase of over 25 residential and 6 commercial properties, sale of 6 commercial properties and completed over 65 commercial leases.

¹ OAR 863-014-0042 (3)(c) states the following:

"(3) The Board may issue a wavier if the applicant:

* * * * *

- (c) Has had real estate-related experience equivalent to at least three years of active experience as a real estate licensee and provides written details about the nature of such experience."

- During 2017, Robert worked as the Facilities Manager and Utilities Manager of Benton County (“**County**”). During that period, Robert oversaw 2 purchases, 1 sale and 25 leases of commercial properties.
- During 2018-20, Robert worked as the Business and Facilities Manager of Northwest Community Credit Union (“**NCCU**”). During that period, Robert oversaw 3 purchases, 2 sales and 18 leases of commercial properties.

2. Business Experience.

- During the decade at 50CC, Robert operated a small construction business that built and remodeled residential and commercial properties.
- During his 6 years at SCC, Robert owned and operated a small construction business that built residential and commercial properties.
- During his 4 years at CBD as a top level executive, Robert sourced, selected, purchased, developed and managed commercial and residential properties.
- During his 5 years at the City as an executive, Robert planned, designed, developed, renovated, maintained and built commercial properties including high rises and historical buildings.
- During his year at the County as a top level executive, Robert oversaw the operations, maintenance, repair, renovation and construction of municipal properties and infrastructure.
- During his 2 years at NCCU as a top level executive, Robert oversaw the operations, development, acquisition and sale of commercial properties.

3. Day-to-day Operational Experience.

- During the decade at 50CC, Robert worked hands on every day with 50CC’s construction and real estate matters.
- During his 6 years at SCC, Robert daily worked with SCC’s construction and real estate matters.
- During his 4 years at CBD, Robert oversaw and directed CBD’s property development and operations.
- During his 5 years at the City, Robert oversaw and implemented the operation, renovation, development, construction and maintenance of over 25% of City’s buildings.
- During his year at the County, Robert managed the County’s Facilities Department and Utilities Department, specifically management of buildings and water and sewer infrastructure.
- During his 2 years at NCCU, Robert operated and managed NCCU’s corporate facilities (branch locations, headquarters and rental properties) and repossessed properties.

4. Trust Fund Management Experience.

- During his 4 years at CBD, Robert was responsible for \$2,000,000± in 6 or more trust funds on an ongoing basis.
- During his 2 years at NCCU, Robert was responsible for \$600,000-\$800,000 in trust funds on an ongoing basis.

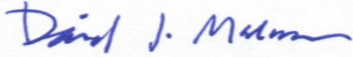
5. Supervisory Experience.

- During the decade at 50CC, Robert supervised 7-15 construction workers.
- During his 6 years at SCC, Robert supervised 7-12 construction workers
- During his 4 years at CBD, Robert 40± people in apartment manager, assistant manager, office, construction and maintenance technician positions.
- During his 5 years at the City, Robert supervised 7-12 people in project manager and office positions.

- During his year at the County, Robert supervised 9 people in mechanical and office positions.
- During his 2 years at NCCU, Robert supervised 3-5 people in business operations positions.

With his decades of commercial and residential, private and public real estate experience, I believe, **Robert meets all requirements of OAR 863-014-0042 (3)(c) to obtain an experience waiver.** I respectfully urge the Board to approve Robert's experience waiver application so he can become a principal broker.

Sincerely,

A handwritten signature in blue ink that reads "David J. Malcolm". The signature is written in a cursive style and is positioned above the typed name.

David J. Malcolm
Attorney

**REAL ESTATE BOARD
REGULATION DIVISION REPORT
April 5, 2021**

Regulation Division Manager: Vacant
Compliance Specialists 3 (Compliance Coordinator): Rob Pierce, Meghan Lewis
Financial Investigators (Investigator-Auditor): Jeremy Brooks, Aaron Grimes,
 Liz Hayes (WOC), Lisa Montellano, Cidia Nañez, Lindsey Nunes, John Moore, Frances
 Hlawatsch (Temporary)
Compliance Specialist 2: Carolyn Kalb

Division Overview

The Agency receives complaints and determines if an investigation is warranted. Open cases are assigned to investigators to gather facts (from interviews and documents), prepare a detailed written report and submit for Administrative Review. The Compliance Coordinators conducting the Administrative Review work evaluate whether the evidence supports charging a person with a violation of Agency statutes or administrative rules. When a case is found to have sufficient cause to sanction a license, the case is elevated to the Commissioner for review. When a sanction is supported by the Commissioner, the Compliance Coordinators conduct a 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.

Personnel

The Regulations Division Manager position remains vacant. Deputy Commissioner Higley is acting in the manager role with Commissioner Strode overseeing Administrative Actions. The Agency expects to begin the recruitment process for the management position in May 2021.

The Division is currently recruiting for an Operations and Policy Analyst 2: Regulatory Analyst position in a limited duration capacity. This position will be assigned to conduct a 10-year historical regulatory review of case nature, findings and actions taken. This will act as the foundation in building a regulatory framework document in which the Commissioner will identify any necessary changes from previous precedent. This body of work will act a guidepost for the new division manager in taking future regulatory actions.

In April, the Division will be recruiting for a Compliance Specialist III to lead the Clients' Trust Account Reconciliation Review and Compliance Review programs.

Workload and Activity Indicators

<u>Average # in this Status at the time</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Current 1/25/21</u>
Complaint	40	44	33	25	20	26	19	20	27
Investigation***	50	56	73	66	64	87	76	49	45
(# of Investigators)	6	7	7	7	7*	6-7**	7	8	8
Admin Review	27	33	28	40	35	61	21	7	6
Settlement Process	19	22	38	34	45	46	23	8	9

* One investigator on medical leave.
 ** One investigator on medical leave, then retired. Late 2019 vacancy was filled.
 ***Pending queue retired in 2020. All cases are directly assigned to an investigator rather than being held in a pending status.

ADMINISTRATIVE ACTIONS

Reported

1/26/2021 through 3/22/2021

REVOCATIONS

SUSPENSIONS

Beck-Gardner, Lynda (Canby), Broker 200606367, Stipulated Final Order dated February 8, 2021, issuing a 60 day suspension.

REPRIMANDS

White, Valerie Lynn (Keizer), Property Manager 200809166, Stipulated Final Order dated February 8, 2021, issuing a reprimand.

Grajeda-Weber, Natividad (Lake Oswego), Principal Broker 200403280, Stipulated Final Order dated February 9, 2021, issuing a reprimand.

CIVIL PENALTIES

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

Holsapple, Stephanie E (Myrtle Creek), Stipulated Final Order dated February 9, 2021, issuing a \$3,000.00 civil penalty.

Unlicensed Activity

Van Leeuwen, John A (Lake Oswego), Final Order dated February 5, 2021, issuing a \$3,136.25 civil penalty.

Duarte, Jose A (Salem), Stipulated Final Order dated March 10, 2021, issuing a \$6,100.00 civil penalty.

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
LYNDA BECK-GARDNER)
STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Lynda Beck-Gardner (Beck-Gardner) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Beck-Gardner was licensed as a real estate broker with Equity Oregon Real Estate.

1.2 On January 2, 2019, Beck-Gardner renewed her broker license. On the renewal application, she reported pleading no contest to two felony theft charges in 2017.

1.3 The criminal convictions were the result of an investigation conducted by the Oregon Department of Justice’s Medicaid Fraud Control Unit.

1.4 In January 2014, Beck submitted an application to the Oregon Department of Human Services (DHS) to be a paid Homecare Worker.

1.5 In March 2016, Beck was indicted with 12 felony counts each of Theft by Deception and False Claims for Healthcare Payment.

1.6 The State asserted that during the time Beck was being paid as a Homecare Worker the individual she was caring for was working construction, maintaining a cemetery by doing yard work, and visiting his probation officer monthly completely able bodied.

1.7 In February 2017, Beck-Gardner pled no contest to Making a False Claim for Heath Care Payment and Theft in the First Degree/Theft by Deception. Beck-Gardner didn’t

1 report these convictions to the Agency until January 2, 2019, on her broker renewal
2 application.

3 **(1) Violation:** By failing to timely report the convictions Beck- Gardner violated ORS
4 696.301(3) as it incorporates OAR 863-015-0175(1)(a)(4) (11/15/16 and 1/1/18 Editions) which
5 states (1) a real estate licensee must notify the commissioner of the following: (a) any criminal
6 conviction (felony or misdemeanor), including a “no contest” plea or bail forfeiture; (4) the
7 notification required by this rule must be made within twenty 20 calendar days after receiving
8 written notification of an adverse judgement, award, or decision described in this rule.
9 Notification must be made under this rule whether or not the decision is appealed.

10 **(2) Violation:** Beck-Gardner was convicted of a felony or misdemeanor substantially
11 related to her trustworthiness or competence to engage in professional real estate activity, and
12 she committed an act of fraud, or engaged in dishonest conduct, substantially related to the
13 fitness of a real estate licensee to conduct professional real estate activity, without regard to
14 whether the act or conduct occurred in the course of professional real estate activity in
15 violation of ORS 696.301(11) and (14) (2017 and 2019 Editions).

16 1.8 Beck-Gardner’s felony conviction was reduced to a misdemeanor conviction and
17 Beck-Gardner has paid in full the restitution of \$25,098.61 ordered as a result of the conviction.

18 2.

19 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.
20 Based on these violations a suspension is appropriate for violations of ORS 696.301(3), (11),
21 and (14).

22 2.2 A suspension of Beck-Gardner’s broker license is appropriate under ORS
23 696.396(2)(c)(C). According to ORS 696.396(2)(c)(C), the Agency may suspend a real estate
24 license if the material facts establish a violation of a ground for discipline under ORS 696.301
25 that exhibits dishonesty or fraudulent conduct.

26 2.3 The Agency reserves the right to investigate and pursue additional complaints
27 that may be received in the future regarding this licensee.

28 2.4 In establishing the violations alleged above, the Agency may rely on one or more
29 of the definitions contained in ORS 696.010.

30 2.5 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a

1 real estate license, whether by operation of law, order of the Real Estate Commissioner or
2 decision of a court of law, or the inactive status of the license, or voluntary surrender of the
3 license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1)
4 proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to
5 the licensee; (3) Take action against a licensee, including assessment of a civil penalty against
6 the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order
7 suspending or revoking a license.

8
9 **STIPULATION & WAIVER**

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

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

25 I agree once the Commissioner executes this stipulated order, I will accept service of
26 the final order by email, and hereby waive the right to challenge the validity of service.

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ORDER

IT IS HEREBY ORDERED that Beck-Gardner’s broker license is suspended for 60 days. The suspension shall begin immediately effective the date of this order.

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:
Lynda Beck-Gardner
6CED2D88394D4E0...
LYNDA BECK-GARDNER

DocuSigned by:
Steven Strode
D141D267DDE14A0...
STEVEN STRODE



Date 2/7/2021 | 4:14 AM PST

Date 2/8/2021 | 8:24 AM PST

Date of Service: 02/08/2021

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

VALERIE LYNN WHITE

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Valerie Lynn White (White) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, White was licensed as a property manager doing business under the registered business name of Encompass Management & Consulting, LLC (EMC).

1.2 In July 2016, the Agency received a complaint from Jean McDonald (McDonald) against regarding Encompass Management & Consulting.

1.3 The Agency opened an investigation. Through the investigation of McDonald's complaint, a separate case was opened against White, regarding property owners Gail Ryder and Bill McGee. The violations are separated for the two different cases below.

Facts and Violations relating to Jean McDonald's Complaint/Investigation:

1.4 White and McDonald signed a property management agreement effective December 14, 2014.

1.5 McDonald's rental property was the following: 1519-1529 Salishan Street SE, Keizer, OR, (#1519, #1521, #1523, #1525, #1527, and #1529), and 3275-3277 Randal Court SE, Salem, OR (#3275 and #3277).

1.6 Prior to hiring Encompass Management & Consulting to manage her property

1 McDonald managed her own rental real estate.

2 1.7 According to the property management agreement, White was required collect all
3 refundable deposits attributable to tenants occupying the property. White did not collect any
4 tenant security deposits at the commencement of the property management agreement, and
5 she did not record this change to the terms of the agreement.

6 **(1) Violation:** By failing to collect tenant security deposits at commencement of the
7 property management agreement as required and failing to create an amendment or
8 addendum signed by the property owner regarding a change to the terms for the tenant
9 security deposits White violated ORS 696.890(4)(c) (2013 Edition) and ORS 696.301(3) as it
10 incorporates OAR 863-025-0020(4) (5-15-2014 Edition). ORS 696.890(4)(c) states a real
11 estate property manager owes the property owner the following affirmative duties: (c) to
12 exercise resalable care and diligence. For the violation of ORS 696.890(4)(c) White's conduct
13 is grounds for discipline under ORS 696.301(12). Per OAR 863-025-0020(4) states any
14 amendment or addendum to the property management agreement must be in writing and
15 include the identifying code, the date of the amendment, the signature of the property manager
16 and the signatures of all owners who signed the initial property management agreement.

17 1.8 The property management agreement with McDonald specified that revenue
18 would be deposited into one or more clients' trust accounts, maintained by the manager, and
19 tenant security deposits would be deposited and maintained deposit into a security deposit
20 trust account. White maintained client trust funds and tenant security deposits in a business
21 checking account ending in #6198, which did not qualify as a clients' trust account.

22 **(2a) Violation:** By failing to open and maintain at least one clients' trust account and failing
23 to notify the Agency within 10 days of opening a clients' trust account White violated ORS
24 696.301(3) as it incorporates OAR 863-025-0025(2) (5-15-14 Edition) and ORS 696.241(2)
25 and (4) (2013 and 2015 Edition). OAR 863-025-0025(2) requires a property manager to open
26 and maintain at least one clients' trust account. ORS 696.241(2) requires a property manager
27 to open and maintain in this state one or more separate federally insured bank accounts that
28 are designated clients' trust accounts under ORS 696.245. A property manager shall deposit
29 in a clients' trust account all trust funds received or handled by the property manager. ORS
30 696.241(4) requires a property manager to notify the Agency within in 10 business days after

1 the date a clients' trust account is opened.

2 **(2)(b) Violation:** By failing to open and maintain at least security deposits account to hold
3 tenant security deposit funds White received, White violated ORS 696.301(3) as it incorporates
4 OAR 863-025-0025(4) (5-15-14 Edition). OAR 863-025-0025(4), states as provided in section
5 (7) of this rule, a property manager who receives security deposits on behalf of an owner must
6 open and maintain a security deposits account, as defined in OAR 863-025-0010 that is
7 separate from the property manager's clients' trust account.

8 1.9 A review of McDonald's owner ledger showed debit card charges to Lowe's,
9 Home Depot and Ace Hardware. McDonald's owner ledger dated January 1 - December 23,
10 2015, shows a debit card was used at Home Depot on at least 15 occasions.

11 **(3) Violation:** By making and/or allowing debit card charges against clients' trust funds,
12 White violated ORS 696.301(3) as it incorporates OAR 863-025-0025(19) (5-15-14 Edition),
13 which states a property manager may not utilize any form of debit card issued by financial
14 institution on a clients' trust account or security deposits account.

15 1.10 When McDonald received her owner statement for March 2015, the only date
16 reported was March 31, 2015. The statement showed a beginning balance of -\$102.95,
17 (despite February's ending balance of \$3,832.69). An expense of \$130.00, check #1040,
18 dated March 31, 2015, increased the negative balance to -\$232.95. The receipts and
19 disbursements entries which caused the negative balance for March were not reported on the
20 owner ledger or the owner statement.

21 **(4) Violation:** By failing to report all changes in the owner's ledger, White violated ORS
22 696.301(3) as it incorporates OAR 863-025-0055(4) (5-15-14 Edition) which requires a
23 property manager to report in writing to each owner any change in the owner's ledger. A
24 monthly report, showing all receipts and disbursements for the account of the owner during the
25 prior monthly period is sufficient.

26 1.11 White disbursed funds when there were insufficient funds to do so, resulting in
27 numerous overdraft fees.

- 28 • On March 24, 2015, the owner ledger balance was \$247.05. On that same day,
29 check #1039 for \$350.00 was disbursed, causing the resulting ledger balance to
30 be -\$102.95.

- 1 • On March 31, 2015, check #1040 for \$130.00 was disbursed, causing the
2 resulting ledger balance to be -\$232.95. The owner ledger balance remained
3 negative until April 1, 2015.
- 4 • On April 13, 2015, check #1048 for \$302.19 was disbursed, causing the resulting
5 owner ledger balance to be -\$150.02. The ledger balance remained negative
6 until August 3, 2015.
- 7 • Additional insufficient balances are shown on McDonald's owner ledger for the
8 following durations: April 13 through August 3, 2015, August 4- September 4,
9 2015, September 5-December 4, 2015, December 5, 2015- January 4, 2016, and
10 January 11- January 21, 2016.

11 1.12 The longest duration of an insufficient balance in the owner ledger is for
12 approximately 91 consecutive days. Despite the insufficient balance, EMC continued to issue
13 disbursements for management fees, payments to their maintenance division and mortgage
14 payments.

15 1.13 The December 31, 2015 year end bank statement showed \$735.00 in year-to-
16 date overdraft fees.

17 **(5) Violation:** By continuing to disburse funds when there were insufficient funds in the
18 ledger to do so, White violated ORS 696.890(4)(a),(b),(c),(d),(e), and (f) (2015 Edition). ORS
19 696.890(4) states a property manager owes the property owner the following affirmative
20 duties: (a) To deal honestly and in good faith; (b) To disclose material facts known by the
21 property manager and not apparent or readily ascertainable to the owner; (c) To exercise
22 reasonable care and diligence; (d) To account in a timely manner for all the funds received
23 form or on behalf of the owner; (e)To act in a fiduciary manner in all matters relating to the
24 trust funds; (f) To be loyal to the owner by not taking action that is adverse or detrimental to
25 the owner's interest. White's conduct is grounds for discipline under ORS 696.301(12).

26 White also violated ORS 696.301(3) as it incorporates OAR 863-025-0025(12) (5-15-14
27 Edition) which states a property manager must not disburse funds from a clients' trust
28 account or security deposits account unless there are sufficient funds as defined in OAR 863-
29 025-0010, in the ledger account against which the disbursement is made. OAR 863-025-
30 0010(17) defines sufficient funds as an amount of funds on an owner's ledger or tenant's

1 ledger that is equal to or greater than the amount of a planned disbursement from a clients'
2 trust account or security deposit account but which most not include any security deposits in a
3 security deposits trust account that are required to be held pending the termination of a rental
4 agreement. Only funds belonging to the owner or tenant on whose behalf the disbursement is
5 planned may be considered in determining if there are sufficient funds or a sufficient credit
6 balance.

7 1.14 Between April 16, 2015, and January 13, 2016, White disbursed management
8 fees on at least 24 different occasions, when there were not sufficient funds to do so.

9 **(6) Violation:** By disbursing management fees, when there were insufficient funds to do so,
10 White violated OAR 863-025-0025(15) (4-1-13, 5-15-14 Editions) which states a property
11 manager must disburse earned management fees from the clients' trust account at least once
12 each month unless a different schedule of disbursements is specified in the property
13 management agreement, and may only disburse such fees if sufficient funds are available.
14 OAR 863-025-0010(16) (4-1-13) and OAR 863-025-0010(17) (5-15-14 Edition) defines
15 sufficient funds as an amount of funds on an owner's ledger or tenant's ledger that is equal to
16 or greater than the amount of a planned disbursement from a clients' trust account or security
17 deposit account but which most not include any security deposits in a security deposits trust
18 account that are required to be held pending the termination of a rental agreement. Only funds
19 belonging to the owner or tenant on whose behalf the disbursement is planned may be
20 considered in determining if there are sufficient funds or a sufficient credit balance.

21 1.15 White failed to timely pay McDonald's line of credit at Bank of America.
22 Payments of \$302.19 were due monthly. McDonald used the line of credit specifically for her
23 property expenses and EMC had agreed to pay the bill on her behalf.

24 1.16 Records show, payments in the amount \$302.19 were made in the months of
25 March through May 2015. In June 2015, a payment was made for \$25.00. In July, no
26 payment was shown, and in August 2015, a payment was shown for \$70.00. An additional
27 payment in August 2015, was shown for \$277.19 with a description referencing June 2015.

28 **(7) Violation:** By failing to timely pay McDonald's line of credit, White violated ORS
29 696.890(4)(a),(b),(c),(d),(e), and (f) (2015 Edition). ORS 696.890(4) states a property manager
30 owes the property owner the following affirmative duties: (a) To deal honestly and in good faith;

1 (b) To disclose material facts known by the property manager and not apparent or readily
2 ascertainable to the owner; (c) To exercise reasonable care and diligence; (d) To account in a
3 timely manner for all the funds received from or on behalf of the owner; (e) To act in a fiduciary
4 manner in all matters relating to the trust funds; (f) To be loyal to the owner by not taking action
5 that is adverse or detrimental to the owner's interest. White's conduct is grounds for discipline
6 under ORS 696.301(12).

7 1.17 White deposited funds from EMC's account ending in #5410 into the account
8 holding McDonald's funds (ending in #6198) on two occasions. On August 19, 2015, in the
9 amount of \$2,000.00 and on March 4, 2016, a deposit of \$4,500.00. White explained the
10 \$2,000 deposit into McDonald's clients' trust account as to help bring McDonald's account
11 sufficient. White said the \$2,000 was a loan from EMC to McDonald.

12 **(8) Violation:** By commingling EMC's funds with funds held on behalf of McDonald, White
13 violated ORS 696.301(3) as it incorporates ORS 696.241(7) (2015 Edition) and OAR 863-025-
14 0025(3)(a) and OAR 863-025-0065(3) (5-15-14 Edition). ORS 696.241(7) states a property
15 manager may not commingle any other funds with the trust funds held in a clients' trust
16 account. OAR 863-025-0025(3)(a) states only funds received by the property manager on
17 behalf of an owner may be held in a clients' trust account. OAR 863-025-0065(3) states a
18 property manager may not deposit any funds received on behalf of an owner in the property
19 manager's personal account or commingle any such funds received with personal funds of the
20 property manager.

21 1.18 McDonald's owner ledger lacked the required identifying information for a \$2,000
22 deposit dated August 21, 2015, referenced as "Temporary refund of Maint. Fees paid," the
23 payee was shown as EMC. No check number, cash receipt number or unique series of letters
24 or numbers to establish an audit trail were displayed. The deposit date of August 21, 2015,
25 was incorrect and did not match the bank statement, which showed the deposit date as August
26 19, 2015.

27 **(9) Violation:** By failing to include the required detailed information on the owner ledger,
28 White violated ORS 696.301(3) as it incorporates OAR 863-025-0055(3)(b)(C), and (D) (5-15-
29 14 Edition) which states (3) all owners ledgers must contain at least the following information:
30 (b) For each deposit of funds: (C) the check number, cash receipt number or a unique series of

1 letters and/or numbers that established an audit trail to the receipt of funds; and (D) the date
2 the funds were deposited.

3 1.19 Records regarding tenant security deposits collected by White were sometimes
4 conflicting and incomplete. During the term of McDonald's property management agreement,
5 five new tenants moved into McDonald's properties. When White received tenant security
6 deposits for McDonald's properties, she deposited them into McDonald's clients' trust account
7 ending in #6198 (which held owner funds and security deposits).

8 1.20 The tenant ledgers, receipts for funds received and bank statement showed
9 White collected and deposited five tenant security deposits for a total of \$4,500.00 between the
10 dates of February 5, 2015 and August 7, 2015.

11 1.21 For one set of the five new tenants, McDonald's owner ledger showed in July
12 2015 White collected a check for prepaid rent/prepaid security deposits of the amount of
13 \$125.00 and on August 3, 2015 White deposited one tenant security deposit on, in the amount
14 of \$875.00. These were the only security deposits shown on the owner ledger from the time
15 period February 5 and August 7, 2015. White could not explain why the other 4 tenant security
16 deposits (from the remaining 4 other tenants) collected were not shown on McDonald's owner
17 ledger.

18 1.22 White used a computer system for creating and maintaining her property
19 management records.

20 **(10) Violation:** By failing to properly record and account for funds received and deposited
21 and failing to and maintain the required records, White violated ORS 696.301(3) as it
22 incorporates ORS 696.280(1) (2015 Edition), which requires a property manager to maintain
23 complete and adequate records of all professional real estate activity conducted by or through
24 the licensee.

25 White also violated ORS 696.301(3) as it incorporates OAR 863-025-0035(3)(b) (5-15-
26 14 Edition). OAR 863-025-0035(3)(b) states if a property manager uses a computerized
27 system for creating, maintaining and producing required records and reports: (b) posting of
28 owner ledgers, record of receipts and disbursements, tenant ledgers and manipulation of
29 information and documents must be maintained in a format that will readily enable tracing and
30 reconciliation.

1 White also violated ORS 696.301(3) as it incorporates OAR 863-025-
2 0055(3)(b)(A),(B),(C),and (D) (5-15-2014 Edition), OAR 863-025-0040(5) (5-15-14 Edition)
3 and OAR 696.890(4)(a),(b),(c),(d),and (e) (2015 Edition). OAR 863-025-0055(3) requires
4 owner ledgers to contain at least the following information: (b) for each deposit of funds: (A)
5 the amount of funds received; (B) the purpose of the funds and identity of the person who
6 tendered the funds; (C) the check number, cash receipt number or a unique series of letters
7 and/or numbers that established an audit trail to the receipt of funds; and (D) the date the
8 funds were deposited. OAR 863-025-0040(5) requires a property manager upon any activity,
9 to record each receipt, deposit or disbursement as required in this rule and record each
10 deposit or disbursement on the corresponding owner's ledger as required in OAR 863-025-
11 0055 and/or tenant's ledger as required in 863-025-0050. ORS 696.890(4) states a property
12 manager owes the property owner the following affirmative duties: (a) To deal honestly and in
13 good faith; (b) To disclose material facts known by the property manager and not apparent or
14 readily ascertainable to the owner; (c) To exercise reasonable care and diligence; (d) To
15 account in a timely manner for all the funds received from or on behalf of the owner; (e) To act
16 in a fiduciary manner in all matters relating to the trust funds; (f) To be loyal to the owner by not
17 taking action that is adverse or detrimental to the owner's interest. White's conduct is grounds
18 for discipline under ORS 696.301(12).

19 1.23 White's tenant lease agreements for Katrina Joynson, Robert Wilson, Hailey
20 Hulseley, and Katelyn Gerlicher, show a charge for tenant security deposits, but none received.
21 According to the corresponding tenant ledgers, the tenant security deposits were received.

22 **(11) Violation:** White's tenant agreements conflicted with the tenants' ledger regarding
23 security deposits paid and received, in violation of ORS 696.301(3) as it incorporates OAR
24 863-025-0045(1)(c) (5-15-14 Edition), which requires (1) the property manager to file and
25 maintain legible copies of all tenant rental or lease agreements for the time period required
26 under OAR 863-025-0035. Each tenant rental or lease agreement prepared by a property
27 manager for residential real estate must contain, in addition to and not in lieu of any applicable
28 requirements of the Residential Landlord and Tenant Act the following: (c) the amount of and
29 the reason for all funds paid by the tenant to the property manager including, but not limited to,
30 funds for rent, conditionally refundable security deposits, and any fees or other charges.

1 1.24 McDonald terminated her property management agreement in a written notice
2 dated December 14, 2015 and requested her rental records and clients' trust funds be
3 transferred to her new property manager. A bank statement dated May 31, 2016, indicates
4 \$573.68 remained in account ending #6198 (account holding McDonald's funds).

5 **(12) Violation:** By failing to timely disburse all funds after termination of the property
6 management agreement White violated ORS 696.301(3) as it incorporates OAR 863-025-
7 0070(2)(a), (b)(B) (5-15-14 Edition), which requires not later than 60 days after the effective
8 date of the termination, the property manager must: (a) Disburse all obligated funds to the
9 party or parties entitled to the funds; and (b) Provide the owner with the following: (B) all funds
10 belonging to the owner as shown on the owner's ledger, unless the owner directs the property
11 manager, in writing, to transfer the funds to another property manager, escrow agent or
12 person.

13 1.25 A review of White's reconciliations showed that White did not perform the
14 monthly reconciliations using the required single reconciliation document containing the
15 required three components.

16 **(13) Violation:** By failing to properly reconcile and maintain the required reconciliation
17 records White violated ORS 696.301(3) as it incorporates OAR 863-025-
18 0025(20)(a)(A),(B),(C), (d)(A),(B), and (e) (4-1-13, 5-15-14 and 11-15-16 Edition) which
19 requires (20)(a) a property manager to reconcile each clients' trust account within 30 calendar
20 days of the date of the bank statement pursuant to the requirements contained in this section.
21 (a) the reconciliation must have three components that are contained in a single reconciliation
22 document: (A) the bank statement balance, adjusted for outstanding checks and other
23 reconciling bank items; (B) the balance of the record of receipts and disbursements or the
24 check register as of the date of the bank statement; and (C) the sum of all positive owners'
25 ledgers as of the date of the bank statement; (d) within 30 calendar days from the date of the
26 bank statement, the property manager must: (A) complete the reconciliation document and (B)
27 sign and date the reconciliation document, attesting to the accuracy and completeness of the
28 reconciliation; and (e) the property manager must preserve and file in logical sequence the
29 reconciliation document, bank statement, and all supporting documentation including, but not
30 limited to, copies of the record of receipts and disbursement or check register and a listing of

1 each owner's ledger balances as of the date of the bank statement.

2 White also violated ORS 696.301(3) as it incorporates OAR 863-025-0035(1)(j) (4-1-13,
3 5-15-14, 11-15-16 Edition), which states the property manager's records are complete and
4 adequate as required under ORS 696.290, if the records contain at least: (j) records of the
5 reconciliation of each client trust account and security deposit account, including the
6 reconciliation document.

7 1.26 White's March 2017 reconciliation of clients' trust account ending #8173 showed
8 the following: Part 1, the reconciled bank balance was \$1,100.00, Part 2, the check register
9 balance was \$996.78, Part 3 was blank, and Part 4, the amount of difference was \$103.22.
10 Written in the explanation of the difference for Part 4 was, "No Difference, We Balance, See
11 Attached."

12 1.27 Agency Financial Investigator/Auditor Meghan Lewis (Lewis) emailed White
13 regarding the difference and seeking explanation. As of July 31, 2017, Lewis still had not
14 received an updated March 2017 reconciliation with an explanation of the difference between
15 Parts 1 and 2. White failed to identify and reconcile the difference of \$103.22 within 30 days.
16 **(14) Violation:** White failed to take corrective action to resolve the \$103.22 difference, in
17 violation of ORS 696.301(3) as it incorporates OAR 863-025-0025(22) (11-15-16 Edition)
18 which requires a property manager to take corrective action to resolve all adjustments made in
19 a reconciliations prior to the next reconciliation or document the good faith efforts taken to
20 resolve the adjustment.

21 1.28 According to Agency records, Nicole Sherrod's (Sherrod) property manager
22 license was associated with EMC on February 1, 2016. Sherrod's duties included negotiating
23 and signing property management agreements, reviewing and approving reconciliations, and
24 reviewing and approving leases. White did not have a signed, dated delegation of authority in
25 place for Sherrod prior to April 6, 2017.

26 **(15) Violation:** By failing to have a written delegation of authority for Nicole Sherrod, White
27 violated ORS 696.301(3) as it incorporates OAR 863-025-0015(6)(a),(b), and (c) (5-15-14 and
28 11-15-16 Editions) which requires the following delegations of the property manager's authority
29 to be in writing and be dated and signed by the property manager and kept with the written
30 policies: (a) negotiate and sign property management agreements under OAR 863-025-

1 0020(6); (b) review and approve reconciliations and receive and disburse funds under OAR
2 863-025-0025(23); and (c) review, approve and accept tenant rental and lease agreements
3 under OAR 863-025-0045(2).

4 1.29 Reviews of the Agency's licensing database of EMC conducted on August 23,
5 2016, February 21 and March 20, 2017, showed two clients' trust accounts registered to EMC,
6 accounts ending in #5990 and #6998.

7 1.30 A review of the Agency's licensing database of EMC conducted on April 13,
8 2017, indicated after March 20, 2017, White registered 81 clients' trust accounts with the
9 Agency, with the "Date Opened," ranging from July 29, 2015 to February 8, 2017.

10 **(16) Violation:** By failing to timely notify the Agency of her clients' trust accounts, White
11 violated ORS 696.301(3) as it incorporates ORS 696.241(4) (2015 Edition) which requires a
12 property manager to notify the Agency within 10 business days after the date a clients' trust
13 account is opened.

14 **Facts and Violations Related to Gail Ryder and Bill McGee's Complaint Investigation:**

15 1.31 Gail Ryder and Bill McGee signed several property management agreements to
16 have EMC manage their different properties. Ryder and McGee requested a separate
17 property management agreement for each of their four properties (455-457-482-488 18th Street
18 NE Salem, 4990-4992 Nadine Dr SE Salem, 952-958 Gaines Street NE, Salem and 13728 SW
19 Mistletoe Drive, Tigard).

20 1.32 The agreements were signed September 29, 2014, and became effective
21 October 15, 2014. Ryder and McGee discovered later that they never signed and dated a
22 property management agreement for their property located at 13782 SW Mistletoe, Tigard
23 Oregon (Mistletoe). Ryder told Agency Financial Investigator/Auditor that she had requested a
24 copy of the agreement several times from EMC but never received one.

25 1.33 White was unable to produce a signed and dated copy of the property
26 management agreement for the Mistletoe property.

27 1.34 White received management fees from Mistletoe beginning January 2, 2015,
28 through November 6, 2015.

29 **(17) Violation:** By failing to obtain property owner signatures on the property management
30 agreement the Mistletoe property White violated ORS 696.301(3) as it incorporates OAR 863-

1 025-0020(1), (2)(l), and (m) (5-15-14 Edition) which states (1) a property manager must not
2 engage in the management of rental real estate without a written, unexpired property
3 management agreement between the owner and the property manager; (2) a property
4 management agreement must include, but is not limited to: (l) signatures of the property
5 manager or a person authorized in section (6) of this rule, and the owner, and (m) the date of
6 the agreement.

7 White also violated ORS 696.890(3) (2013 Edition) which states a property manager
8 may engage in the management of rental real estate for an owner of rental real estate only
9 pursuant to a property management agreement. White's conduct is grounds for discipline
10 under ORS 696.301(12).

11 1.35 To manage their rental real estate White opened two business checking
12 accounts at Bank of the Cascades for Ryder and McGee. The first one ending in #3681, the
13 second, ending in #3703 was for security deposits. As of August 24, 2017, White had not
14 registered either of these accounts with the Agency.

15 **(18) Violation:** By failing to open at least one clients' trust account for property owners
16 Ryder and McGee and failing to timely notify the Agency of the clients' trust accounts, White
17 violated ORS 696.301(3) as it incorporates ORS 696.241(4) (2015 Edition) which requires: (4)
18 a property manager to notify the Agency within 10 business days after the date a clients' trust
19 account is opened.

20 1.36 The name on the checks for account ending in #3681 was, "EMC Ryder-McGee
21 Properties," and for account ending in #3703 was "EMC- Ryder McGee Properties CT."

22 **(19) Violation:** By failing to include the required language for the name of the accounts on
23 the checks, White violated ORS 696.301(3) as it incorporates OAR 863-025-0025(11)(c), and
24 (d) (5-15-14 Edition) which requires a property manager to maintain and account for all checks
25 used for a clients' trust account or security deposits account. All such checks must:(c) If the
26 account is a clients' trust account, include the words, "clients' trust account," but may include
27 additional identifying language; and (d) If the account is a security deposits account, include
28 the words clients' trust account –security deposits," but may include additional identifying
29 language.

30 1.37 A review of the February 2015 EMC Reconciliation Report for account

1 ending in #3681 and account ending in #3703 shows EMC did not use a single reconciliation
2 document showing the required three components of the reconciliation.

3 **(20) Violation:** By failing to properly reconcile the clients' trust account and security deposits
4 account and maintain the required reconciliation records White violated ORS 696.301(3) as it
5 incorporates OAR 863-025-0025(20)(a)(A),(B),(C), (d)(A),(B), and (e) (5-15-14 Edition) which
6 requires (20)(a) a property manager to reconcile each clients' trust account within 30 calendar
7 days of the date of the bank statement pursuant to the requirements contained in this section.
8 (a) the reconciliation document must have three components that are contained in a single
9 reconciliation document(A) the bank statement balance, adjusted for outstanding checks and
10 other reconciling bank items; (B) the balance of the record of receipts and disbursements or
11 the check register as of the date of the bank statement; and (C) the sum of all positive owners'
12 ledgers as of the date of the bank statement; (d) within 30 calendar days from the date of the
13 bank statement, the property manager must: (A) complete the reconciliation document and (B)
14 sign and date the reconciliation document, attesting to the accuracy and completeness of the
15 reconciliation; and (e) the property manager must preserve and file in logical sequence the
16 reconciliation document, bank statement, and all supporting documentation including, but not
17 limited to, copies of the record of receipts and disbursement or check register and a listing of
18 each owner's ledger balances as of the date of the bank statement.

19 White also violated ORS 696.301(3) as it incorporates OAR 863-025-
20 0025(21)(a)(A),(B),(C),(d)(A),(B), (e) (5-15-14 Edition), which requires (21)(a) a property
21 manager to reconcile each security deposits account within 30 calendar days of the date of the
22 bank statement pursuant to the requirements contained in this section. (a) the reconciliation
23 must have three components that are contained in a single reconciliation document: (A) the
24 bank statement balance, adjusted for outstanding checks and other reconciling bank items; (B)
25 the balance of the record of receipts and disbursements or the check register as of the date of
26 the bank statement; and (C) the sum of all positive balances of individual security deposits and
27 fees held in the security deposits account; (d) within 30 calendar days from the date of the
28 bank statement, the property manager must: (A) complete the reconciliation document and (B)
29 sign and date the reconciliation document, attesting to the accuracy and completeness of the
30 reconciliation; and (e) the property manager must preserve and file in logical sequence the

1 reconciliation document, bank statement, and all supporting documentation including, but not
2 limited to, copies of the record of receipts and disbursement or check register and a listing of
3 all balances of individual security deposits and fees as of the date of the bank statement.

4 White also violated ORS 696.301(3) as it incorporates OAR 863-025-0035(1)(j) (5-15-
5 14, 11-15-16 Edition), which states the property manager's records are complete and
6 adequate as required under ORS 696.290, if the records contain at least: (j) records of the
7 reconciliation of each client trust account and security deposit account, including the
8 reconciliation document.

9 1.38 Owner ledger for the Mistletoe property shows for January 1, 2015 through
10 January 31, 2015, a beginning balance of \$0.00. On January 2, 2015, EMC's management
11 fee of \$50.00 caused a resulting balance in the amount of -\$50.00. Additional charges for
12 EMC maintenance and labor and management fees increased the insufficient balance in the
13 owner ledger to -1,759.45. On May 5, 2015, a rent payment in the amount of \$2,645 brought
14 the ledger balance to \$888.88.

15 1.39 Owner ledger for property located at 4990-4992 Nadine Dr SE, Salem (Nadine),
16 showed the balance became -\$371.69 on December 18, 2014. An additional non-sufficient
17 funds fee of \$8.00 and an EMC maintenance charge for \$17.50 caused the resulting balance
18 to be -\$397.19. The balance remained insufficient until a check deposit brought the balance
19 positive on January 2, 2015.

20 **(21) Violation:** By making disbursements when there were insufficient funds in the owner
21 ledger, White violated ORS 696.301(3) as it incorporates OAR 863-025-0025(12) (5-15-14
22 Edition) which states a property manager must not disburse funds from a clients' trust account
23 or security deposits account unless there are sufficient funds as defined in OAR 863-025-0010,
24 in the ledger account against which the disbursement is made. OAR 863-025-0010(17)
25 defines sufficient funds as an amount of funds on an owner's ledger or tenant's ledger that is
26 equal to or greater than the amount of a planned disbursement from a clients' trust account or
27 security deposit account but which most not include any security deposits in a security
28 deposits trust account that are required to be held pending the termination of a rental
29 agreement. Only funds belonging to the owner or tenant on whose behalf the disbursement is
30 planned may be considered in determining if there are sufficient funds or a sufficient credit

1 balance.

2 White also violated ORS 696.301(3) as it incorporates OAR 863-025-0025(15) (5-15-14
3 Edition), which states a property manager must disburse earned management fees from the
4 clients' trust account at least once each month unless a different schedule of disbursement is
5 specified in the property management agreement, and may only disburse such fees if sufficient
6 funds are available.

7 1.40 For property owners Ryder and McGee, White held owner funds in a single
8 owner account ending in #3681. White maintained separate owner ledgers for each property.
9 When the owner ledger balances for Mistletoe and Nadine became insufficient, White
10 transferred funds from other owner ledger accounts (relating to other properties owned by
11 Ryder and McGee) with positive balances to cover the insufficiencies for Mistletoe and Nadine.

12 1.41 White did not have written approval from property owners Ryder and McGee to
13 transfer funds from one owner ledger to another. McGee stated they had specifically asked
14 White for a separate property management agreement for each property so they could keep
15 funds and accounting separate.

16 **(22) Violation:** By transferring funds from one owner's ledger to another without written
17 permission of the owner, White violated ORS 696.301(3) as it incorporates OAR 863-025-
18 0025(14)(a) (5-15-14 Edition) which states a property manager may only transfer funds
19 between two or more owner's ledger accounts maintained for the same owner, if (a) the owner
20 has given the property manager prior written approval in the property management agreement
21 or in an addendum to the agreement.

22 1.42 Beginning and ending balances did not correlate on some of the monthly owner
23 ledger statements. For Nadine the ending balance dated April 14, 2015, is shown as
24 \$2,016.69, but the beginning balance dated May 1, 2015, is shown as \$2,017.78, a difference
25 of \$1.09.

26 1.43 For Mistletoe, the ending balance dated May 7, 2015, is shown as -\$1,279.60,
27 but the beginning balance, dated June 1, 2015, is shown as -\$2,309.44, a difference of
28 \$1,029.84.

29 1.44 For 952-958 Gaines Street NE Salem, the ending balance dated August 11,
30 2015, is shown as \$1,958.99, but the beginning balance dated September 1, 2015, is shown

1 as \$2,478.99, a difference of \$520.00.

2 **(23) Violation:** By having conflicting beginning balances and ending balances on the owner
3 ledger statements White violated ORS 696.301(3) as it incorporates OAR 863-025-0055(4) (4-
4 1-13, 5-15-14 Edition) which requires a property manager to report in writing to each owner
5 any change in the owner's ledger. A monthly report, showing all receipts and disbursements
6 for the account of the owner during the prior monthly period, is sufficient under this section.

7 White also violated ORS 696.890(4)(c),(d),(e) (2013 and 2015 Editions) which states a
8 property manager owes the property owner the following affirmative duties: (c) to exercise
9 reasonable care and diligence; (d) to account in a timely manner for all funds received from or
10 on behalf of the owner; (e) to act in a fiduciary manner in all matters relating to trust funds.

11 White's conduct is grounds for discipline under ORS 696.301(12).

12 1.45 All of the above demonstrates incompetence in performing acts for which White
13 is required to hold a license.

14 **(24) Violation.** ORS 696.301(12) (2013, 2015, and 2017 Editions) which states a licensee's
15 real estate license can be disciplined if the licensee demonstrated incompetence or
16 untrustworthiness in performing any act for which the licensee is required to hold a license.

17 1.46 White has, in response to the violations taken corrective action and is now in
18 compliances with the law and rule requirements regarding each of the issues.

19 1.47 White's property manager license was previously reprimanded in August 2016.

20

21

2.

22 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.
23 Based on these violations a reprimand is appropriate for violations of ORS 696.301(3) and
24 (12).

25 2.2 The Agency reserves the right to investigate and pursue additional complaints
26 that may be received in the future regarding this licensee.

27 2.3 In establishing the violations alleged above, OREA may rely on one or more of
28 the definitions contained in ORS 696.010.

29 2.4 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a
30 real estate license, whether by operation of law, order of the Real Estate Commissioner or

1 decision of a court of law, or the inactive status of the license, or voluntary surrender of the
2 license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1)
3 proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to
4 the licensee; (3) Take action against a licensee, including assessment of a civil penalty against
5 the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order
6 suspending or revoking a license.

7
8 **STIPULATION & WAIVER**

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

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

24 I agree once the Commissioner executes this stipulated order, I will accept service of
25 the final order by email, and hereby waive the right to challenge the validity of service.

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ORDER

IT IS HEREBY ORDERED that Valerie Lynn White's property manager license be, and hereby is reprimanded

IT IS SO STIPULATED:

IT IS SO ORDERED:



DocuSigned by:
Valerie White
B3BFF07AAB0F4ED...
VALERIE LYNN WHITE

DocuSigned by:
Steven Strode
D141D267DDE14A0...
STEVEN STRODE

Real Estate Commissioner

Date 2/5/2021 | 5:21 PM PST

Date 2/8/2021 | 8:25 AM PST

Date of Service: 02/08/2021

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)
NATIVIDAD GRAJEDA-WEBER) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Natividad Grajeda-Weber (Grajeda-Weber) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Grajeda-Weber was licensed as a principal broker doing business under the registered business name of Coastal Dreams Real Estate LLC.

1.2 The Agency received several complaints against Grajeda-Weber, and on March 13, 2020, an investigation was opened.

1.3 On February 5, 2018, Maria Robledo (M. Robledo) died intestate and was the owner of 8477 Hwy 20, Toledo, Oregon (subject property). M. Robledo's son Ricardo Robledo (R. Robledo) lived on the subject property in a trailer. According to the family, R. Robledo could not read and write well or comprehend financial documents.

1.4 On April 23, 2018, a small estate affidavit was filed in Lincoln County, naming R. Robledo as Maria's successor. The affidavit noted the property's fair market value was \$200,000 and the personal property value was \$30,000.

1.5 On April 25, 2018, Grajeda-Weber listed the property for sale in the Lincoln County MLS for \$290,000, R. Robledo was named as the owner. Included as an attachment to the listing were the Seller's Property Disclosure Statement, Private Well Addendum, Lead-Based Paint Disclosure, and Woodstove/Fireplace Insert Addendum, all signed by R. Robledo

1 on April 25, 2018.

2 1.6 When she was asked how she determined the listing price, Grajeda-Weber said
3 she prepared a comparative market analysis. Grajeda-Weber failed to provide the Agency
4 with a copy of the analysis during the investigation when it was requested.

5 **(1) Violation:** By failing to keep a copy of the comparative market analysis in her
6 transaction file, Grajeda Weber violated ORS 696.301(3) as it incorporates ORS 696.280(1)
7 (2017 Edition) and OAR 863-015-0250(1) (01/01/2018 Edition). ORS 696.280(1) requires a
8 licensed real estate property manager or principal real estate broker to maintain within this
9 state, except as provided in subsection (6) of this section, complete and adequate records of
10 all professional real estate activity conducted by or through the licensed real estate property
11 manager or principal real estate broker. OAR 863-015-0250(1) requires complete and
12 adequate records of professional real estate activity include complete, legible, and permanent
13 copies of all documents required by law or voluntarily generated during a real estate
14 transaction, including all offers received by or through real estate brokers or principal brokers
15 to the client, including, but not limited to, the following: as noted in sections (a)-(g).

16 1.7 Grajeda-Weber contacted the title company to find out who the owner was and
17 found it was still M. Robledo. Grajeda-Weber stated this was when the family decided to fill
18 out the affidavit. Grajeda-Weber stated Margaret Brown (Brown), R. Robledo's sister, told her
19 R. Robledo had the rights to sell the property. Grajeda-Weber took no other action to
20 ascertain if R. Robledo had the authority to sell the subject property.

21 **(2) Violation:** Before listing the property, steps should have been taken to ensure R.
22 Robledo had the legal authority to sell the property and by failing to do so, Grajeda-Weber
23 violated ORS 696.301(3) as it incorporates ORS 696.805(3)(a) (2017 Edition), which states:
24 (3) A seller's agent owes the seller involved in a real estate transaction the following
25 affirmative duties: (a) To exercise reasonable care and diligence.

26 1.8 On May 17, 2018, MLS records show the subject property's sales price was
27 reduced to \$279,000 and reduced again on May 21, 2018 to \$235,000. On May 22, 2018, the
28 listing price was increased to \$275,000. Between May 22, 2018, and July 17, 2018, there
29 were three more price changes, eventually bringing the sales price to \$235,000 again. There
30 was no signed addendum or other written communication showing R. Robledo agreed to the
price

1
2 changes.

3 **(3) Violation:** By failing to obtain R. Robledo's written permission to change the property's
4 listing price, Grajeda-Weber violated ORS 696.301(3) as it incorporates ORS 696.280(1) (2017
5 Edition) and OAR 863-015-0250(1)(c) (1/01/2018 Edition). ORS 696.280(1) requires a licensed
6 real estate property manager or principal real estate broker to maintain within this state, except
7 as provided in subsection (6) of this section, complete and adequate records of all professional
8 real estate activity conducted by or through the licensed real estate property manager or
9 principal real estate broker. OAR 863-015-0250(1)(c) requires complete and adequate
10 records of professional real estate activity include complete, legible, and permanent copies of
11 all documents required by law or voluntarily generated during a real estate transaction,
12 including all offers received by or through real estate brokers or principal brokers to the client,
13 including, but not limited to, the following: (c) A copy of any written agreement for the listing,
14 sale, purchase, rental, lease, lease option, or exchange of real property generated by a real
15 estate broker or principal broker while engaging in professional real estate activity that must be
16 signed by all parties to such an agreement.

17 1.9 On October 10, 2018, Grajeda-Weber prepared a Contract of Sale Agreement for
18 R. Robledo to sell the property to Miranda Cortez (Cortez) on a land sales contract for
19 \$235,000, with a down payment of \$8,400. The balance of the loan, \$226,600, would be
20 amortized over ten years and carried by R. Robledo. The monthly payment was \$1,400 per
21 month. The agreement failed to note interest for the loan amount, a late payment penalty
22 amount, and R. Robledo was to remain responsible for the property taxes and homeowners'
23 insurance.

24 1.10 Grajeda-Weber claimed that everything was done on the direction of R. Robledo
25 and Cortez; however, stated, "This is not the way I wanted to write it if I was going to sell it. I
26 would never have written it that way." Grajeda-Weber did not consult with an attorney
27 regarding the drafting of the contract.

28 1.11 Had the loan balance been amortized over ten years, even with no interest, the
29 monthly payment would have been \$1,888.33, not \$1,400.

30 **(4) Violation:** Grajeda-Weber drafted the Contract of Sale Agreement on a land sales
contract without consulting an attorney. The agreement failed to note interest for the loan

1 amount and late payment penalty amount, additionally R. Robledo remained responsible for
2 the property taxes and homeowners' insurance, Grajeda-Weber's actions violated ORS
3 696.301(3) as it incorporates ORS 696.805(2)(a) and (3)(a), (c) and (e) (2017 Edition), which
4 states: (2) A seller's agent owes the seller, other principals and the principals' agents involved
5 in a real estate transaction the following affirmative duties: (a) to deal honestly and in good
6 faith: (3) A seller's agent owes the seller involved in a real estate transaction the following
7 affirmative duties: (a) To exercise reasonable care and diligence; (c) To be loyal to the seller
8 by not taking action that is adverse or detrimental to the seller's interest in a transaction; (e) To
9 advise the seller to seek expert advice on matters related to the transaction that are beyond
10 the agent's expertise.

11 1.12 Grajeda-Weber prepared a Contract of Sale Agreement and a second
12 Residential Real Estate Sales Agreement, both signed and dated October 10, 2018. R.
13 Robledo and Cortez agreed, on the Residential Real Estate Sales Agreement, that the
14 transaction would close at Western Title; however, the Contract of Sale Agreement did not
15 note where the transaction would close.

16 1.13 According to Grajeda-Weber, Cortez and R. Robledo didn't want to close through
17 a title and escrow company. Grajeda-Weber wrote the offer, but never sent the contract to an
18 attorney or escrow office.

19 **(5) Violation:** Grajeda-Weber prepared the sales agreements but failed to ensure the
20 transaction closed with escrow as required per the Residential Real Estate Sales Agreement,
21 in violation of ORS 696.301(3) as it incorporates ORS 696.805(3)(a) and (c) (2017 Edition) and
22 ORS 696.810(3)(a) and (c) (2017 Edition). ORS 696.805(3)(a) and (c) states: 3) A seller's
23 agent owes the seller involved in a real estate transaction the following affirmative duties: (a)
24 To exercise reasonable care and diligence; (c) To be loyal to the seller by not taking action that
25 is adverse or detrimental to the seller's interest in a transaction. ORS 696.810(3)(a) and (c)
26 (2017 Edition) states: (3) A buyer's agent owes the buyer involved in a real estate transaction
27 the following affirmative duties: (a) To exercise reasonable care and diligence; (c) To be loyal
28 to the buyer by not taking action that is adverse or detrimental to the buyer's interest in a
29 transaction.

30 1.14 The above-noted violations 1-5 demonstrate incompetence or untrustworthiness

1 in performing an act for which a real estate license is required and engaging in conduct that is
2 below the standard of care for the practice of professional real estate.

3 **(6) Violation:** ORS 696.301(12) and 15) (2018 Edition) which states a licensee's real
4 estate license may be disciplined if they have: (12) Demonstrated incompetence or
5 untrustworthiness in performing any act for which the real estate licensee is required to hold a
6 license. (15) Engaged in any conduct that is below the standard of care for the practice of
7 professional real estate activity in Oregon as established by the community of individuals
8 engaged in the practice of professional real estate activity in Oregon.

9 2.

10 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.
11 Based on these violations a reprimand is appropriate for violations of ORS 696.301(3), (12),
12 and (15).

13 2.2 The Agency reserves the right to investigate and pursue additional complaints
14 that may be received in the future regarding this licensee.

15 2.3 In establishing the violations alleged above, the Agency may rely on one or more
16 of the definitions contained in ORS 696.010.

17 2.4 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a
18 real estate license, whether by operation of law, order of the Real Estate Commissioner or
19 decision of a court of law, or the inactive status of the license, or voluntary surrender of the
20 license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1)
21 proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to
22 the licensee; (3) Take action against a licensee, including assessment of a civil penalty against
23 the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order
24 suspending or revoking a license.

25
26 **STIPULATION & WAIVER**

27 I have read and reviewed the above findings of fact and conclusions of law which have
28 been submitted to me by the Agency and further, the order which follows hereafter. I
29 understand that the findings of fact, conclusions of law and this stipulation and waiver embody
30 the full and complete agreement and stipulation between the Agency and me. I further

1 understand that if I do not agree with this stipulation I have the right to request a hearing on
2 this matter and to be represented by legal counsel at such a hearing. Hearings are conducted
3 in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the
4 Rules of Practice and Procedure adopted by the Attorney General of the State of Oregon. I
5 freely and voluntarily waive my rights to a hearing, to representation by legal counsel at such a
6 hearing, and to judicial review of this matter.

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


12 I agree once the Commissioner executes this stipulated order, I will accept service of
13 the final order by email, and hereby waive the right to challenge the validity of service.

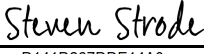
14 ORDER

15 IT IS HEREBY ORDERED that Natividad Grajeda-Weber's principal broker license be,
16 and hereby is reprimanded.

17
18 IT IS SO STIPULATED:

IT IS SO ORDERED:

19
20 DocuSigned by:
21 
22 NATIVIDAD GRAJEDA-WEBER
7E4FF81ADB2A42E...

DocuSigned by:
23 
24 STEVEN STRODE
D141D267DDE14A0...



25 Date 2/8/2021 | 11:35 AM PST

26 Date 2/9/2021 | 8:06 AM PST

27 Date of Service: 02/09/2021

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Property Manager License
of
STEPHANIE E. HOLSAPPLE

STIPULATED FINAL ORDER

The Real Estate Agency (Agency) and Stephanie E. Holsapple (Holsapple) do hereby agree and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW
1.

1.1 From December 31, 2016 through April 30, 2020, Holsapple’s property manager license was associated with RPM Rentals. Holsapple failed to renew her license during April 2020 and Holsapple’s license expired on May 1, 2020. On November 5, 2020, Holsapple’s license became active.

1.2 On July 2, 2020, the Agency received a complaint from Jennifer Frazier (Frazier) against Holsapple. The Agency opened an investigation.

1.3 Holsapple admitted she had continued conducting property management activity since her license expired on May 1, 2020. Holsapple managed approximately 65 doors which included apartments and single family residences.

1.4 During the time Holsapple’s license was expired from May 1, 2020 through November 4, 2020, a total of 188 days, Holsapple continued to engage in professional real estate activity by taking part in the management of rental real estate.

(1) Violation: By continuing to conduct professional real estate activity from May 1, 2020 through November 4, 2020, over the course of 188 days, after Holsapple’s license was expired and before renewing it, Holsapple violated ORS 696.020(2) (2019 Edition) and is subject to

1 discipline or civil penalty pursuant to ORS 696.990(4) and (9). ORS 696.020(2) states an
2 individual may not engage in, carry on, advertise or purport to engage in or carry on
3 professional real estate activity, or act in the capacity of a real estate licensee, within this state
4 unless the individual holds an active license.

5 1.5 A review of the Oregon Judicial Court Information Network showed the following
6 Residential Eviction Complaints (REC) signed by Holsapple during the time her license was
7 expired.

- 8 • REC 1 (Case 20LT04250) showed RPM Rentals as the plaintiff and Diana
9 Clemons (and all others) as the defendant. The document showed Holsapple as
10 the landlord or agent. The signature date was June 30, 2020.
- 11 • REC 2 (Case 20LT05313) showed RPM Rentals LLC as the plaintiff and Sabrina
12 Smith (and all others) as the defendant. The document showed Holsapple as the
13 landlord or agent. The signature date was October 7, 2020.
- 14 • REC 3 (Case 20LT05321) showed RPM Rentals as the plaintiff and Lacy
15 Sanders (and all others) as the defendant. The document showed Holsapple as
16 the landlord or agent. The signature date was October 13, 2020.

17 **(2) Violation:** By filing and signing the Residential Eviction Complaint (Case 20LT04250)
18 on June 30, 2020, Holsapple engaged in professional real estate activity when her license was
19 expired, in violation of ORS 696.020(2) (2019 Edition) and is subject to discipline or civil
20 penalty pursuant to ORS 696.990(4) and (9). ORS 696.020 (2019 Edition) states an individual
21 may not engage in, carry on, advertise or purport to engage in or carry on professional real
22 estate activity, or act in the capacity of a real estate licensee, within this state unless the
23 individual holds an active license.

24 **(3) Violation:** By filing and signing the Residential Eviction Complaint (Case 20LT05313)
25 on October 7, 2020, Holsapple engaged in professional real estate activity when her license
26 was expired, in violation of ORS 696.020(2) (2019 Edition) and is subject to discipline or civil
27 penalty pursuant to ORS 696.990(4) and (9). ORS 696.020 (2019 Edition) states an individual
28 may not engage in, carry on, advertise or purport to engage in or carry on professional real
29 estate activity, or act in the capacity of a real estate licensee, within this state unless the
30 individual holds an active license.

1 **(4) Violation:** By filing and signing the Residential Eviction Complaint (Case 20LT05321)
2 on October 13, 2020, Holsapple engaged in professional real estate activity when her license
3 was expired, in violation of ORS 696.020(2) (2019 Edition) and is subject to discipline or civil
4 penalty pursuant to ORS 696.990(4) and (9). ORS 696.020 (2019 Edition) states an individual
5 may not engage in, carry on, advertise or purport to engage in or carry on professional real
6 estate activity, or act in the capacity of a real estate licensee, within this state unless the
7 individual holds an active license.

8
9 **STIPULATION & WAIVER**

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

20 I hereby agree and stipulate to the above findings of fact and conclusions of law and
21 understand that the order which follows hereafter may be completed and signed by the Real
22 Estate Commissioner or may be rejected by the Real Estate Commissioner. I understand that,
23 in accordance with the provisions of ORS 696.445(3), notice of this order shall be published in
24 the Oregon Real Estate News Journal. I agree once the Commissioner executes this
25 stipulated order, I will accept service of the final order by email, and hereby waive the right to
26 challenge the validity of service.

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ORDER

IT IS HEREBY ORDERED that pursuant to ORS 696.990(1) to (9) and based upon the violation set forth above, Holsapple pay a civil penalty in the sum of \$3,000.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to the Agency. The civil penalty is computed in accordance with ORS 696.990(4) and (9) in that each 30-day period of unlicensed activity is considered one violation. In this instance, there were six 30-day periods of unlicensed activity.

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:
Stephanie E Holsapple
ED1229E685B146E...
STEPHANIE L. HOLSAPPLE

DocuSigned by:
Steven Strode
D141D267DDE14A0...
STEVEN STRODE

Date 1/28/2021 | 6:19 PM PST

Real Estate Commissioner
Date 2/9/2021 | 8:05 AM PST

Date of Service: 02/09/2021

**BEFORE THE REAL ESTATE AGENCY
STATE OF OREGON**

IN THE MATTER OF:)	FINAL ORDER
)	
JOHN VAN LEEUWEN)	OAH Case No. 2020-ABC-03791
)	Agency Case No. 2018-648
)	

This matter came before the Real Estate Commissioner to consider the Proposed Order issued by Administrative Law Judge (ALJ) Samantha Fair on December 18, 2020. The Proposed Order notified Mr. Van Leeuwen of his right to file exceptions to the Proposed Order. Mr. Van Leeuwen, through counsel John Heald, filed timely exceptions on January 5, 2021.

Mr. Van Leeuwen took exception to ALJ Fair’s conclusion that Mr. Van Leeuwen engaged in professional real estate activity. In support of this exception, Mr. Van Leeuwen relies on *Moody v. Hurricane Creek Lumber* case. This issue was previously briefed and was discussed by ALJ Fair in her proposed order. Mr. Van Leeuwen raising this issue again does not provide a basis to modify any findings or conclusions in the Proposed Order.

Mr. Van Leeuwen also took exception to the amount of the civil penalty proposed by ALJ Fair. ALJ Fair proposed that the Agency issue civil penalties totaling \$4,611.25, which includes a \$1,975 practice-appraisal fee paid by Dr. Sakun, which Mr. Van Leeuwen did not refund at closing. The agency did not seek the additional \$1,975 as profit as part of the civil penalty, so ALJ Fair’s proposed order will be modified accordingly to exclude this amount.

After considering the files and records in this case, including Mr. Van Leeuwen’s exceptions, the Agency issues a Final Order as set forth below.

HISTORY OF THE CASE

On May 19, 2020, the Real Estate Agency (Agency) issued a Notice of Intent to Assess a Civil Penalty: Notice of Opportunity for Hearing to John Van Leeuwen. On May 19, 2020, Mr. Van Leeuwen requested a hearing.

On May 26, 2020, the Agency referred the matter to the Office of Administrative Hearings (OAH). The OAH assigned Administrative Law Judge (ALJ) Samantha A. Fair to preside at hearing. On June 26, 2020, ALJ Fair convened a prehearing conference. Mr. Van Leeuwen appeared. Senior Assistant Attorney General Raul Ramirez appeared on the Agency’s behalf. Liz Hayes also appeared on behalf of the Agency. ALJ Fair scheduled an in-person hearing for November 9, 2020, and set deadlines for the submission of witness lists and exhibits.

On August 11, 2020, the Agency issued an Amended Notice of Intent to Assess a Civil

Penalty and Order to Cease and Desist: Notice of Opportunity for Hearing to Mr. Van Leeuwen.

On September 21, 2020, because of the coronavirus pandemic, ALJ Fair converted the in-person hearing to a video conference hearing.

On October 15, 2020, attorney John Heald informed the OAH that he represented Mr. Van Leeuwen and requested deadlines for the submission of hearing memoranda. On October 16, 2020, ALJ Fair adopted the proposed deadlines.

On October 26, 2020, Mr. Van Leeuwen filed a Hearing Memorandum. On November 2, 2020, the Agency filed a Response to Van Leeuwen Hearing Memorandum.

On November 2, 2020, ALJ Fair convened a video conference practice session. Mr. Van Leeuwen, Mr. Heald, Mr. Ramirez and Ms. Hayes appeared.

On November 9, 2020, ALJ Fair convened a video conference hearing. Because of technical difficulties, the hearing was completed as a telephone hearing. Mr. Van Leeuwen appeared, testified, and was represented by Mr. Heald. The Agency appeared and was represented by Mr. Ramirez. Ms. Hayes, an Agency investigation auditor, appeared and testified. Natalia Sakun-Duvalko, DDS, appeared and testified on behalf of the Agency. The record was left open until November 20, 2020, for parties to submit written briefs.

On November 20, 2020, the Agency filed a Supplemental Brief. The record closed on November 23, 2020, without any further submissions.

ISSUES

1. Whether Mr. Van Leeuwen engaged in professional real estate activity without a license. ORS 696.020(2).
2. Whether the Agency may assess Mr. Van Leeuwen a civil penalty. ORS 696.990(4).
3. Whether Mr. Van Leeuwen must forfeit any profit he made from a violation of ORS 696.020(2). ORS 696.990(5).
4. Whether the Agency may order Mr. Van Leeuwen to cease and desist from violating ORS 696.020(2). ORS 696.397.

EVIDENTIARY RULINGS

Exhibits A1 through A30, offered by the Agency, were admitted into the record without objection. Exhibits R1 and R2, offered by Mr. Van Leeuwen, were admitted into the record without objection.

FINDINGS OF FACT

1. Mr. Van Leeuwen has never held an Oregon real estate license. (Test. of Hayes.)
2. Green Sail Transitions, Inc. (Green Sail) has been an Oregon-registered corporation since December 20, 2011. Mr. Van Leeuwen is the sole owner and president of Green Sail. (Ex. A2 at 1; test. of Van Leeuwen.) Green Sail's registered agent is Mr. Heald. (Ex. A2 at 1.)
3. Green Sail is well known in the dental community for assisting dentists with dental practice transactions. (Ex. A7 at 2; test. of Sakun-Duvalko.) Green Sail specializes in dental practice transitions, including practice sales, mergers, and appraisals. It also assists with retirement planning, partnership agreements, and associate recruitments. (Ex. A3 at 1-2; test. of Van Leeuwen.) Green Sail does not employ a licensed real estate agent.¹ (Ex. A3 at 2-6.)
4. If a dentist wants to sell the practice and the real property where the practice is located, Green Sail will have its attorney draw up a letter of intent to purchase the property and that same attorney would facilitate the sale of the practice and the property. (Ex. A4 at 1.) Green Sail uses Joyce Speight as an escrow agent to close any transactions involving real property. (*Id.* at 2.) Green Sail will only refer a seller to a licensed real estate agent if the seller needs a real property evaluation for a price or lease assessment. (*Id.* at 1.)
5. Green Sail's website and its Facebook page include its current and past dental practice listings. The listings include the sales price for the practice, the city or neighborhood in which the practice is located, the age and size of the practice, and any associated specialized equipment. The listings note the square footage of the practice's building and a description of the number of rooms and availability of parking. The listings also note if the seller is the owner of the building and whether the seller is offering to lease or sell the building, occasionally including the purchase price of the building or the monthly cost of the lease in the listing. The majority of Green Sail's listings note that the dental practice and its associated building are for sale or lease. (Exs. A4 at 2; A26 through A30.) As additional advertising, Green Sail emails copies of new listings and provides weekly updates of its listings to its pool of prospective buyers. (Test. of Sakun-Duvalko.)
6. The building that houses a dental practice is critical to the sale of the practice and the determination of the practice's value. More than 90 percent of dental practice sales include the sale or lease of the associated real property. Financial institutions will not extend a loan for the purchase of a dental practices that does not include the sale or lease of the associated building. (Test. of Van Leeuwen.)
7. When selling a practice with the real property, Mr. Van Leeuwen must invest more time in closing the sale because of the additional documents and steps, such as inspections and repairs, involved in the sale of the real property. There are also additional costs when purchasing a practice and the real property, such as the following: the purchase price of the real property; a down payment on the portion of the purchase price assigned to the real property, required by banks for any loans; real property inspections; and repairs to the real property. Because of these

¹ Real estate licenses are only issued to individuals. ORS 696.020(1).

additional costs, financially capable buyers are harder to locate and potential sales are more likely to fail to close than dental practice sales that only include a lease or no real property. Because of the additional time investment and greater difficulties on finalizing a sale, Mr. Van Leeuwen will increase his commission on the sales price of the dental practice by three percent or more whenever the dental practice sale includes the sale of real property. (Test. of Van Leeuwen.) Mr. Van Leeuwen does not charge a separate commission on the sales price of the real property. (Ex. A4 at 1.)

8. Dr. Sakun-Duvalko was the president and secretary for Midland Family Dentistry, PC (Midland), an Oregon-registered private corporation from 2002 through July 19, 2018. (Ex. A5 at 1-3.) Midland was based in a condominium, located at 1244 SE 122nd Ave, Portland, Oregon (Condo), owned by Dr. Sakun-Duvalko. (Exs. A5 at 1; A9 at 3; test. of Van Leeuwen.)

9. Dr. Sakun-Duvalko first listed the Condo for sale with licensed realtor Mike Devlin in August 2016. (Ex. A7 at 1; test. of Sakun-Duvalko.) Mr. Devlin listed the Condo for sale as a dental/office condo of 2,400 square feet with a sales price of \$349,000. (Ex. A13 at 1.) Mr. Devlin secured one offer, which failed to close. (Ex. A7 at 1.)

10. Per a recommendation from another local dentist, when Dr. Sakun-Duvalko decided to sell the dental practice (Practice) as well as the Condo, she contacted Green Sail and spoke to Mr. Van Leeuwen. (Ex. A7 at 1; test. of Sakun-Duvalko.) Mr. Van Leeuwen informed her that she would save money if she ceased using Mr. Devlin's services. (Ex. A7 at 1.) He advised her that Mr. Devlin's services are not ideal because he is marketing to the general public while Green Sail will market the property just to dentists. Mr. Van Leeuwen informed her that he did not have a real estate license but she should not worry about his lack of licensure because he would find a buyer for the Practice and the Condo and she would avoid paying a real estate commission. (Test. of Van Leeuwen and Sakun-Duvalko.) In response to Mr. Van Leeuwen's suggestion, Dr. Sakun-Duvalko let her listing with Mr. Devlin lapse. (Ex. A7 at 1; test. of Sakun-Duvalko.)

11. On April 4, 2017, Mr. Van Leeuwen sent Dr. Sakun-Duvalko a copy of a listing announcement regarding another dental practice that Green Sail was selling in the same area as Midland as an example of Green Sails' listings. The listing announcement stated that both the dental practice and the building were for sale. (Ex. A10 at 1.)

12. On April 19, 2017, Dr. Sakun-Duvalko signed an agreement with Green Sail for it to perform an assessment of the value of the Practice. She paid a \$1,975 fee for a full valuation, and the listing agreement provided that the fee "will be deducted from the commissions due to Green Sail at the time of closing." (Ex. A6 at 1.) On this same date, while discussing the sale of the Condo with the Practice, Mr. Van Leeuwen informed Dr. Sakun-Duvalko that he would charge an additional three percent commission on the Practice's sale price if the Condo was sold with the Practice. (Ex. A7 at 1.)

13. Mr. Van Leeuwen appraised the Practice at \$250,000. (Ex. A7 at 1.) The appraised value was higher than it should have been. The Practice was a very small facility with only four operatories and no room to expand, was not aesthetically appealing, and had a very low

profitability rate of only \$240,000 per year instead of the more typical \$800,000 per year. A dental practice's sale price is approximately 72 percent of its profitability rate. (Test. of Van Leeuwen.)

14. On May 1, 2017, Dr. Sakun-Duvalko emailed Mr. Van Leeuwen. In the email, she noted that Mr. Van Leeuwen did not reference the Condo in the draft of their listing agreement and inquired whether he needed to be a licensed real estate agent as she believed that was necessary for someone to sell real property in Oregon. On May 2, 2017, Mr. Van Leeuwen emailed the following response:

No, we are not realtors and won't be "selling" the property for you in a tradition sense where we market the real estate and charge a commission. We will find a practice buyer who will also be looking to own their own building and WE sell the practice to them and turn the real estate transaction over to the attorney you choose to write the practice sale paperwork. Same with the escrow/title company. They take care of the real estate closing at the same time they are doing the practice. I would only need a real estate license if I was trying to earn commissions on real estate deals. Technically you doing a "for sale by owner" transaction with the buyer we find for the practice.

(Ex. R1 at 1.) (Emphasis in original.)

15. On May 4, 2017, Mr. Van Leeuwen sent Dr. Sakun-Duvalko a draft of a listing announcement for her property. (Ex. A9 at 1.) The announcement stated, in part:

**General/Implant Dental Practice
AND BUILDING**

For "Sail!"

**\$250,000 Practice
\$330,000 Building**

* * * * *

This "mid-sized" Portland practice will be well-suited for a general dentist or dentist with an implant focus that has some basic implant skills and is looking to purchase a practice and a building at an affordable price.

ABOUT THE PRACTICE:

* * * * *

ABOUT THE FACILITY/BUILDING:

The “condo” building is 2,400 square feet and has a shared wall with the adjacent building. The monthly HOA fee is \$350. The 1,200 square feet downstairs included a separate entrance, lab, kitchen, office and a bathroom. It could be used by the dental practice/building owner or could be leased out.

* * * * *

- * **1,200 square foot clinic**
- * **1,200 square foot basement**
- * **Private parking lot**

(*Id.* at 2-3.) (Emphasis in original.) Dr. Sakun-Duvalko approved the listing. (Test. of Sakun-Duvalko.)

16. On May 9, 2017, Dr. Sakun-Duvalko and Mr. Van Leeuwen signed a Green Sail Listing Agreement, in which Dr. Sakun-Duvalko agreed to employ Green Sail as her agent to sell the Practice, consisting of furnishings, equipment, instruments, supplies, goodwill, trade name, and patient files. She agreed to pay a 6.5 percent commission at closing as a commission for services rendered. (Ex. A11 at 1.) However, based on her discussions with Mr. Van Leeuwen, she knew that the commission would be 9.5 percent of the Practice’s sale price if the Condo was sold with the Practice. (Test. of Sakun-Duvalko.)

17. While in discussions with a prospective buyer, on August 22, 2017, Mr. Van Leeuwen emailed Dr. Sakun-Duvalko and asked her to “give me your bottom line for both the practice and building. Bottom line.” (Ex. A15 at 1; test. of Sakun-Duvalko.)_

18. Mr. Van Leeuwen found buyers, Drs. Hadi Nouredine and Farid Bolouri, who were interested in Dr. Sakun-Duvalko’s Practice and the Condo. Dr. Sakun-Duvalko vacillated between whether she wanted to lease or sell the Condo to the buyers, which lengthened the negotiations. Dr. Sakun-Duvalko and the buyers never directly communicated with one another. All of their communications regarding the proposed terms of the sale occurred through Mr. Van Leeuwen. (Test. of Van Leeuwen.)

19. Drs. Nouredine and Bolouri sent a letter of intent (LOI) to purchase Dr. Sakun-Duvalko’s dental practice to Mr. Van Leeuwen to give to Dr. Sakun-Duvalko. The LOI set out the terms for a proposed acquisition of the “assets of Seller’s dental practice,” by Drs. Nouredine and Bolouri, who had already signed the LOI. (Ex. A17 at 1-2, 6.) The LOI identified the assets as equipment, supplies, tools, business records, patient charts and goodwill, and identified the purchase price as \$175,750. (*Id.* at 2-3.) The LOI included the following contingencies:

1.8.2 Buyer entering into a lease on terms satisfactory to Buyer for occupancy of the offices currently occupied by Seller.

1.8.3 Lease terms \$2,700 base rate (plus condo fee) flat for 24 months,

starting in the 25th month rate shall increase to \$2,781 with 3% annual increase. Seller to pay property taxes * * *. Buyer to pay all other utilities. Buyer to pay condominium fee subject to annual adjustments.

(*Id.* at 3.) On November 27, 2017, Mr. Van Leeuwen sent the LOI to Dr. Sakun-Duvalko, asking her to sign and return it. Dr. Sakun-Duvalko made some hand-written changes to the 1.8.3 contingency in the LOI and signed it on November 27, 2017. (*Id.* at 1, 6.)

20. On December 5, 2017, Mr. Van Leeuwen emailed Dr. Sakun-Duvalko and stated “Hadi says go forward with 3 year lease but ‘nothing else.’” (Ex. A18 at 1.) In response, on December 6, 2017 at 9:07 a.m., Dr. Sakun-Duvalko emailed Mr. Van Leeuwen the following:

Dear John,
With regards to a purchase/sale arrangements, please discuss with the Buyer the following terms:

Purchase price- \$317,500. (I am splitting the difference between previously acceptable \$325K offer and Hadi’s \$310K offer)

Terms- \$67,500K down payment and promissory note balance secured by trust deed at 5% with monthly payments based on 20 year amortization. Seller with right to call promissory note due and payable after three years provided Seller provides not less than 180 days written notice of such intent. Seller may also extend promissory note an additional three years under terms to be negotiated between the parties. Buyer may also want to pre-pay at any time.
Ok thanks and good luck!

(*Id.*)

21. On December 6, 2017 at 10:02 a.m., Mr. Van Leeuwen emailed Dr. Sakun-Duvalko and stated:

OK. You may have an outside shot at Ris’s practice in Battleground but we would need to move fast and take the lease as proposed by the landlord as is.

(Ex. A18 at 1.)

22. On December 6, 2017 at 2:58 p.m., Dr. Sakun-Duvalko emailed Mr. Van Leeuwen and stated:

I can’t accept the purchase price of \$310,000.

I prefer to go back to a 3 year lease terms, with option to buy at set price of \$350,000. This option will expire after 2 years and I have the ability

to actively market the bldg.

Could you suggest to Buyer the first and last month rent?

Will they be willing to pay security deposit equal to one month rent?

* * * * *

If they are good with that, please tell Mr. Heald² to go ahead with Drafts.

(Ex. A18 at 2.)

23. On December 6, 2017 at 3:02 p.m., Mr. Van Leeuwen emailed Dr. Sakun-Duvalko and stated:

Natalia, if I keep going back we are likely to scare them off. Are YOU SURE you are willing to kill the offer to be free of the building for \$7500? Once I go back there will be no changing your mind.

(Ex. A18 at 3.)

24. On January 3, 2018, Dr. Sakun-Duvalko and Drs. Nouredine and Bolouri signed a Purchase and Sale Agreement, in which Dr. Nouredine agreed to purchase the Condo for \$317,500, with a down payment of \$67,500 and the remaining \$250,000 to be paid in monthly installments with balance paid by January 1, 2021. (Ex. A20 at 1-2, 7.) The scheduled closing date was January 15, 2018. (*Id.* at 3.) The purchase of the Condo was contingent on the concurrent purchase of the Practice pursuant to a separate purchase agreement. (*Id.* at 2.) The Purchase and Sale Agreement was a form document, created by the Commercial Association of Brokers, and included the following language:

18. No Brokers. Each party represents to the other party that it has not engaged the services of a broker in connection with the transaction contemplated herein and there will be no obligation to pay any commissions. Each party agrees to indemnify and defend the other party from and against any claim for a commission, fee or other compensation (including any related claim for attorneys' fees) in connection with the transaction contemplated herein from a broker or agent claiming to represent a party.

(*Id.* at 6.)

25. On January 15, 2018, Mr. Van Leeuwen emailed Dr. Sakun-Duvalko the following information:

² Mr. Van Leeuwen had told Dr. Sakun-Duvalko to hire Mr. Heald, advising her that he was knowledgeable and familiar with Green Sail's practices. She hired Mr. Heald to prepare the purchase agreement. (Test. of Sakun-Duvalko.)

Here is the agreement you made notes on but never got back to me signed....

I cant remember what you needed up with for the sale price of the building but using 350k as the price this is how things work out. You can adjust if I have the building price wrong:

PRACTICE SALE PRICE \$175,000
BUILDING SALE PRICE: \$350,000

Standard GST commission for practice is 6.5% of \$175,000 = \$11,407
(no rebate for appraisal)
Typical real estate commission 5% (could be up to 7%) on \$350,000 = \$17,500
TOTAL \$28,907 (or more) which is 5.5% of total practice and building sale price.

You saved almost half (\$14,210) by NOT using a real estate broker.

Make sense?

(Ex. A21 at 1.) (Emphasis in original.)

26. On January 19, 2018, the sale of the Condo for \$317,500 and the Practice for \$175,750 closed. (Exs. A22 and A23.) When Dr. Sakun-Duvalko arrived at the title office, she was upset when she saw the amount of the commission she was paying Mr. Van Leeuwen, which was 9.5 percent of the Practice's sale price. She felt that the commission was too high in light of the low sale price for the Practice and the Condo. (Test. of Sakun-Duvalko.) She called Mr. Van Leeuwen and complained to him, and he agreed to reduce the 9.5 percent commission to 8 percent. (Ex. A7 at 2; test. of Sakun-Duvalko.) After the change in the commission rate, the title company deducted a commission of \$14,060 for Green Sail and deducted attorney fees of \$5,420 for Mr. Heald from the Practice's sale price. (Ex. A22 at 1.) There were no commissions or attorney fees deducted from the Condo's sale price. (Ex. A23.)

CONCLUSIONS OF LAW

1. Mr. Van Leeuwen engaged in professional real estate activity without a license. ORS 696.020(2).
2. The Agency may assess Mr. Van Leeuwen a civil penalty.
3. Mr. Van Leeuwen must forfeit any profit he made from his violation of ORS 696.020(2).
4. The Agency may order Mr. Van Leeuwen to cease and desist from violating ORS

696.020(2).

OPINION

The Agency proposes to assess Mr. Van Leeuwen a civil penalty, require him to forfeit his profits, and order him to cease and desist violations of ORS 696.020(2), based on the allegation that he engaged in professional real estate activity without a license. As the proponent of the allegation, the Agency has the burden to establish, by a preponderance of the evidence, that the allegation is correct and that it is entitled to impose the penalties and issue the order. ORS 183.450(2) (“The burden of presenting evidence to support a fact or position in a contested case rests on the proponent of the fact or position”); *Reguero v. Teachers Standards and Practices Commission*, 312 Or 402, 418 (1991) (burden is on Commission in disciplinary action); *Dixon v. Board of Nursing*, 291 Or App 207, 213 (2018) (in administrative actions, burden of proof is by a preponderance of the evidence). Proof by a preponderance of the evidence means that the fact finder is persuaded that the facts asserted are more likely than not true. *Riley Hill General Contractor v. Tandy Corp.*, 303 Or 390, 402 (1987).

Engaging in Professional Real Estate Activity

ORS 696.020(2) provides:

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.

ORS 696.010³ provides, in part:

(6) “Compensation” means valuable consideration for services rendered or to be rendered, whether contingent or otherwise.

* * * * *

(17) “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;

³ This most current version of ORS 696.010 was effective January 1, 2018. The 2017 statute amended ORS 696.010 (2015) by changing compensation’s subsection from (4) to (6) and changing professional real estate activity’s subsection from (14) to (17). The amendments made no changes to the substantive language of the definitions.

(c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or leasing of 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[.]

ORS 696.040 provides:

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.

Mr. Van Leeuwen argued that he received no compensation for his services in procuring a purchaser of the Condo, pointing out that his commission was “computed as a percentage of the sales price of the Practice.” Hearing Memorandum at 2 (emphasis in original). However, the question of whether he based his fee on a percentage of the sales price of the Practice or the Condo or both is irrelevant. ORS 696.010(6) defines “compensation” to mean “valuable consideration for services rendered.” There is no requirement that the “compensation” be in the form of a commission, let alone the form of a commission based solely on the price of the real property.

The 2018 Purchase and Sale Agreement included a clause in which Drs. Sakun-Duvalko and Nouredine acknowledged that no brokers were involved in the sale and, therefore, no commissions were owed on the sale of the Condo. However, this clause in the contract does not control or trump the legal interpretation of ORS 696.010(6) or (17). If Mr. Van Leeuwen received valuable consideration for services rendered, then he received compensation for the sale of the Condo regardless of the no broker clause. And that also holds true if Mr. Van Leeuwen engaged in professional real estate activity. ORS 696.010(17) determines whether his conduct amounted to professional real estate activity, not the no broker clause.

In his written contract with Dr. Sakun-Duvalko, Mr. Van Leeuwen agreed to provide his services in exchange for 6.5 percent of the Practice’s sale price. By a verbal arrangement, he agreed to provide his services in exchange for 9.5 percent of the Practice’s sale price, which was subsequently amended to 8 percent, if the Condo was sold with the Practice. The Practice ultimately sold for \$175,750, and the Condo was sold for an additional \$317,500 with the Practice. Because the Condo sold with the Practice, Dr. Sakun-Duvalko paid a commission of \$14,060 (8 percent of the Practice’s sale price) rather than \$11,423.75 (6.5 percent of the

Practice's sale price). Thus, Mr. Van Leeuwen received an additional \$2,636.25 as valuable consideration for the sale of the Condo. The question now becomes whether Mr. Van Leeuwen rendered services in the form of professional real estate activity.

Mr. Van Leeuwen argued that he did not engage in professional real estate activity because any services he provided that resulted in the sale of the Condo were incidental or ancillary to the services he provided to secure a buyer for the Practice. He cites to *Moody v. Hurricane Creek Lumber Co.*, 290 Or 729 (1981), as support for his position. However, Mr. Van Leeuwen's reliance on *Moody* is in error. In *Moody*, the Oregon Supreme Court found that the broker for the sale of a business and wood mill did not engage in professional real estate activity as defined by ORS 696.020(17)(j).⁴ *Id.* at 735. The Court found that the phrase "calculated to result in the sale" required a finding that the broker knew or intended their assistance to result in the sale of the real property. *Id.* at 737. In *Moody*, the evidence established that the broker understood his role as finding a buyer for the seller's business and that the broker was unaware of whether any subsequent sale would include the assets of the business or just the sale of the corporation's stock. The *Moody* broker never visited the business, was never informed of the assets of the business, and never participated in negotiations for the sale of the business. *Id.* at 737. The Court concluded that the evidence established that "it was not 'calculated' by him that his conduct would 'result in the sale * * * of any real estate;" and, therefore, he did not engage in professional real estate activity as defined by ORS 696.020(17)(j). *Id.*

The facts of *Moody* are distinguishable from the present case. The broker in *Moody* was not a professional broker but a sawmill machinery salesman who only provided assistance in the one transaction with the seller. *Moody*, 290 Or at 731. In contrast, Mr. Van Leeuwen is a professional broker in the business of arranging dental practice sales in which over 90 percent of the sales include the sale or lease of real property. The *Moody* broker referred a potential buyer to the seller but took no further action in regards to the eventual sale of the business. Instead, the price and structure of the sale were worked out directly between the buyer and the seller without any assistance or participation by the broker. It was during the buyer and seller's negotiations that the buyer requested the sale be one of the assets of the business rather than a sale of the stock. *Id.* at 732. In the present case, Mr. Van Leeuwen created a listing that advised prospective buyers that the Condo was for sale with details about the Condo; he marketed the listing to prospective buyers via Green Sail's website, Facebook page, weekly updates and direct emails; and he engaged in multiple communications with the buyer and seller about the price and terms of the sale, including urging the seller to accept the buyer's offer. In sum, Mr. Van Leeuwen engaged in significantly more activities than just finding a prospective buyer and introducing the buyer to Dr. Sakun-Duvalko, the only activities performed by the broker in *Moody*. Additionally, as demonstrated by the listing he created and marketed and his communications with Dr. Sakun-Duvalko, Mr. Van Leeuwen knew that his services were calculated to result in the sale or lease of the Condo, which satisfies the knowledge requirement of ORS 696.010(17)(j). Mr. Van Leeuwen assisted in the procuring of prospects, via his creation and marketing of the listing for the Practice and Condo, and he knew such procurement was calculated to result in the sale or lease of the Condo. Mr. Van Leeuwen engaged in professional

⁴ At the time of *Moody*, ORS 696.020(17)(j) was (9)(j); otherwise, the language is identical. *See Moody*, 290 at 735-6.

real estate activity as defined by ORS 696.010(17)(j).⁵

ORS 696.040 provides that one act of professional real estate activity is sufficient to constitute engaging in professional real estate activity. Therefore, Mr. Van Leeuwen's one act of creating and marketing the listing for the Practice and Condo constituted engaging in professional real estate activity. However, Mr. Van Leeuwen engaged in considerably more than one act. Mr. Van Leeuwen informed Dr. Sakun-Duvalko that he could assist her in selling or leasing the Condo in conjunction with the sale of the Practice. He advised her of Green Sail's specialty in marketing listings directly to dentists and provided her a copy of one of Green Sail's listings that included the sale of the real property with the dental practice. Thus, he purported to be in the business of selling real estate, a professional real estate activity as defined by ORS 696.010(17)(i). Mr. Van Leeuwen created the listing for Dr. Sakun-Duvalko's Practice and Condo, which included a description of the Condo with a sale price of \$330,000, plus marketed the listing. After the creation of the listing, Mr. Van Leeuwen contacted Dr. Sakun-Duvalko in August 2017, asking for her bottom line for selling the Practice and the Condo when he was discussing her property with a prospective buyer. Despite his claims during the hearing that he did not negotiate the price or terms of the eventual sale of her property, Mr. Van Leeuwen was the contact point for all of the negotiations between Dr. Sakun-Duvalko and Dr. Nouredine. With regard to those negotiations, the buyer and seller did not directly communicate. On November 27, 2017, Mr. Van Leeuwen forwarded the buyer's LOI to Dr. Sakun-Duvalko and directed her to sign and return it to him. On December 5 and 6, 2017, he had multiple communications with the buyer and Dr. Sakun-Duvalko regarding different proposed terms for the sale or lease of the Condo. In his final email to her, Mr. Van Leeuwen warned Dr. Sakun-Duvalko that her insistence on a term in the sale of the Condo that would only make a \$7,500 difference might jeopardize the entire deal.⁶ By these actions, Mr. Van Leeuwen negotiated, handled offers, and sold the Condo, all of which are professional real estate activities as defined by ORS 696.010(17)(a) – (c). In addition, Mr. Van Leeuwen directed Dr. Sakun-Duvalko to hire Mr. Heald to prepare the sales agreement and directed her to use Ms. Speight as the closing agent. Thus, Mr. Van Leeuwen assisted in the closing of the sale, a professional real estate activity as defined by ORS 696.010(17)(k).

Mr. Van Leeuwen does not have a real estate license. Because he engaged in

⁵ The Court in *Moody* also found that the broker was not required to be a licensed business chance broker because the broker had only engaged in the conduct for a single transaction. *Moody*, 290 at 732. Prior to 1981, the Agency issued licenses for “business chance brokers,” persons that engaged in the business of selling established businesses. *Former* ORS 696.610. The statutes that required the licensing of business chance brokers were repealed in 1981. Mr. Van Leeuwen argued that the repeal of the business chance brokers statutes meant that individuals such as Mr. Van Leeuwen were then permitted to engage in the selling of businesses without having a real estate license. However, the repeal simply meant that an individual such as Mr. Van Leeuwen would not need to obtain a business chance brokers license. There was no replacement statute that stated that business chance brokers do not need a license to engage in professional real estate activity. In actual fact, the *Moody* Court posed the question of whether a business chance broker would also need a real estate license if the broker engaged in professional real estate activity and then left that question unanswered because it determined that the broker had not engaged in professional real estate activity. *Moody*, 290 at 736.

⁶ In the email chain, it is clear that the \$7,500 difference concerns an argument regarding the sale price of the Condo being either \$325,000 or \$317,500. *See* Exhibit A18.

professional real estate activity without a license, he violated ORS 696.020(2).

Assessment of Civil Penalty and Forfeiture of Profit

ORS 696.990 provides, in part:

(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

* * * * *

(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.

* * * * *

(7) Civil penalties under this section shall be imposed as provided in ORS 183.745[.]

The Agency established that Mr. Van Leeuwen violated ORS 696.020(2) when he engaged in professional real estate activity regarding the sale of Dr. Sakun-Duvalco's condominium. There was no evidence that the Agency had previously found Mr. Van Leeuwen in violation of its statutes and rules. Therefore, this current action is Mr. Van Leeuwen's first offense.

Despite this being a first offense, there are factors that support the Agency's decision to assess Mr. Van Leeuwen the maximum \$500 civil penalty plus seek forfeiture of the profit he realized from the transaction. First, as shown above, Mr. Van Leeuwen engaged in multiple acts that constituted unlawful professional real estate activities over the course of several months. Additionally, Mr. Van Leeuwen's business model requires him to engage in these same unlawful activities for more than 90 percent of Green Sail's listings. Thus, his conduct demonstrates a pattern of unlawful behavior. Additionally, in this matter, Dr. Sakun-Duvalco expressed concerns to Mr. Van Leeuwen about his lack of licensure, and he reassured her that such licensure was unnecessary. Mr. Van Leeuwen thereby used his position as the transaction professional to assuage his client's legitimate concerns.

Finally, Mr. Van Leeuwen's violation of ORS 696.020(2) was a knowing violation. In

the May 2, 2017 email, Mr. Van Leeuwen's use of quotes around the word "selling" and his reference that he was not selling Dr. Sakun-Duvalko's condominium in the "traditional sense" suggest that he was simply trying to allay his client's concerns. His next comment, in which he acknowledges that he will find a buyer to buy both the practice and the condominium, demonstrates that he knew he was indeed engaging in real estate activity. Finally, his knowledge that he was engaging in real estate activity is further confirmed in his comment to Dr. Sakun-Duvalko that he did not need a real estate license simply because he was not charging her a commission on the sales price of the condominium. Mr. Van Leeuwen knew that he was engaging in real estate activity (finding a buyer for real property) but believed that he could evade the requirement of licensure by his disingenuous choice of language and disguising the additional consideration he would receive from the sale of the Condo by not calling it a real estate commission (he was not "selling" the property; he was finding a buyer for the property but "WE" were not selling the property; he would charge her a greater commission for selling the condominium but on the sales price of the practice, not on the sales price of the condominium). Given the above considerations, it is appropriate that Mr. Van Leeuwen be assessed the maximum civil penalty of \$500 and forfeit the amount by which he profited from his real estate activity in this transaction.

On January 18, 2018, Dr. Sakun-Duvalko paid \$14,060 in commissions to Green Sail, which is 8 percent of the \$175,750 sales price for the dental practice. By contract, Mr. Van Leeuwen agreed to a 6.5 percent commission for the sale of the Practice, if there was no accompanying real estate sale. Thus, he received a 1.5 percent commission as profit from the real estate activity he performed in this transaction. Therefore, Mr. Van Leeuwen's commission, solely for the sale of the Practice, is \$11,423.75 ($\$175,750 \times 0.065$). The difference of \$2,636.25 is the profit that is directly attributable to Mr. Van Leeuwen's activities in connection with the sale of the real estate.⁷

Pursuant to the April 19, 2017 practice valuation agreement, Dr. Sakun-Duvalko's payment of \$1,975 for the appraisal was to be refunded at closing by deducting it from Mr. Van Leeuwen's commission. However, following her January 18, 2018 conversation with Mr. Van Leeuwen, although the closing figures were adjusted to reflect his agreement to reduce his 9.5 percent commission to 8 percent, the refund for the appraisal payment was not deducted from his commission as required by the April 19, 2017 agreement. ALJ Fair recommended the Agency also impose the \$1,975 as a civil penalty because that amount represented additional profit to forfeit as a civil penalty. The Agency did not allege in its Amended Notice that the \$1,975 was profit to be forfeited, so the Agency does not adopt the ALJ's recommendation on this issue.⁸

Dr. Sakun-Duvalko paid \$14,060 in commissions to Green Sail on January 18, 2018. Based on her contracts with Green Sail (and excluding the \$1,975 fee that was not refunded), Dr. Sakun paid \$11,423.75 Practice-only commission. Mr. Van Leeuwen received a profit in the

⁷ The agency modified this paragraph to clarify the amount of profit the Agency seeks as a civil penalty as alleged in paragraphs 1.17 and 2.4 of the Amended Notice.


⁸ The Agency has modified this paragraph to revise the amount of profit Mr. Van Leeuwen should forfeit, in accordance with the Agency's Amended Notice.

ORDER

Based on the foregoing, the Real Estate Agency issues the following order:

1. John Van Leeuwen engaged in professional real estate activity without a license in violation of ORS 696.020(2).
2. John Van Leeuwen must pay a civil penalty of \$500 for violating ORS 696.020(2). The civil penalty is due and payable 10 days after the order imposing the civil penalty becomes final by operation of law or on appeal.
3. John Van Leeuwen must forfeit \$2,636.25, as the amount he profited from his violation of ORS 696.020(2). The forfeited profit is due and payable 10 days after the order imposing the civil penalty becomes final by operation of law or on appeal.¹⁰
4. John Van Leeuwen must cease and desist from engaging in any professional real estate activity without a real estate license, as required by ORS 696.020(2).

It is so Ordered this 5th of February, 2021

DocuSigned by:

D141D267DDE14A0...
Steven Strode
Real Estate Commissioner

NOTICE OF RIGHT TO JUDICIAL REVIEW

You have the right to appeal this Order to the Oregon Court of Appeals pursuant to ORS 183.482. To appeal you must file a petition for judicial review with the court of Appeals within 60 days from the day this Order was served on you. If this Order was personally delivered to you, the date of service is the day you received the Order. If this Order was mailed to you, the date of service is the day it was mailed not the day you received it. If you do not file a petition for judicial review within the 60 day time period, you will lose your right to appeal

¹⁰ The Agency has modified this paragraph to clarify the amount of profit the Agency is imposing as a civil penalty under ORS 696.990(5).

Certificate of Service

On February 5, 2021, I mailed and emailed the foregoing Final Order issued on this date in OAH Case No. 2020-ABC-03791 and the Agency Case No. 2018-648.

By: First Class Mail

JOHN A VAN LEEUWEN
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Lake Oswego, OR 97035

John Heald
201 B Ave Ste 220
Lake Oswego, OR 97034-3289

By Email:

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Natalia Sakun
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Nenah Darville
Licensing Specialist

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Unlicensed Professional
Real Estate Activity of
JOSE A. DUARTE

STIPULATED FINAL ORDER AND ORDER
TO CEASE AND DESIST

The Oregon Real Estate Agency (Agency) and Jose A. Duarte do hereby agree
and stipulate to the following:

FINDINGS OF FACT
&
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Duarte was not licensed to conduct professional
real estate activity in Oregon.

1.2 On August 18, 2016, Wesley Hill (Hill) the attorney who represented Monico and
Maria Gonzalez (Gonzalezes) filed a complaint against Duarte for unlicensed property
management activity. The Agency opened an investigation.

1.3 Gonzalezes' owned an apartment complex, West Town Manor, located at 1125
SE Wyatt Ave, Stayton, Oregon 97383 (West Town Manor).

1.5 Duarte managed West Town Manor through USave Property Management.

1.4 Records were provided for the West Town Manor. The reports show
management fees being paid out every month to USave and checks written to the Gonzalezes
from USave Property Management.

1.5 Utility bills for West Town Manor from the City of Stayton were mailed to USave
Property Management.

1.6 Bills from Allied Waste for West Town Manor were mailed to USave Property
Management.

1 1.7 Pacific Power bills for West Town Manor were addressed to Monico Gonzalez
2 c/o U Save Prop MGMT Attn: Jose Duarte at PO Box 736 Mill City, OR 97306.

3 1.8 On March 30, 2017, during a phone interview with Agency Investigator/Financial
4 Auditor Lindsey Nunes (Nunes) Monico Gonzalez said he bought West Town Manor in 2007
5 and Duarte managed the property for him from when he purchased it until August 2015.

6 1.9 On April 6, 2017, during a phone interview with Duarte, he told Nunes that he
7 managed West Side Manor for a family member from 2007 until August 2015 through USave
8 Property Management. When he was terminated, Duarte stated he gave the new property
9 manager all the rental agreements he had and a check for \$9,000.00.

10 1.10 When asked why he continued conducting property management activity after he
11 had previously been fined a civil penalty in 2009 by the Agency for doing the same activity, he
12 explained he was just doing a favor for his family.

13 **Violation:** By engaging in the management of rental real estate, Duarte engaged in
14 professional real estate activity as described in ORS 696.010(15)(h) (2009 Edition) and ORS
15 696.010(14) (2011, 2013, and 2015 Editions), without a license, which is a violation of ORS
16 696.020(2) (2009, 2011, 2013, and 2015). ORS 696.020(2) states an individual may not
17 engage in, carry on, advertise or purport to engage in or carry on professional real estate
18 activity or act in the capacity of a real estate licensee, within this state unless the individual
19 holds an active license as provided in this chapter. ORS 696.010(12) (2009 Edition), ORS
20 696.010(11) (2011, 2013 and 2015 Editions) defines “management of rental real estate.”

21 1.11 In 2009 Duarte was issued a \$2,600.00 civil penalty for unlicensed property
22 management activity.

23 1.12 On January 24, 2017, Duarte registered a business with the Oregon Secretary of
24 State called “ORGN Properties LLC.” Duarte was listed as the Registered Agent and Owner,
25 and for services rendered, it states, “Rentals.”

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ORDER

IT IS HEREBY ORDERED that, pursuant to ORS 696.397, Duarte immediately cease and desist from engaging in any professional real estate activity as defined in ORS 696.010(17)(a) to (n) (2019 Edition) unless Duarte first obtains a real estate license from the Agency. The Commissioner’s authority for this order is under ORS 696.397.

IT IS FURTHER ORDERED that, pursuant to ORS 696.990 and based upon the violation set forth above, Duarte pay a civil penalty in the sum of \$6,100.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to the Agency.

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:

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JOSE A. DUARTE

DocuSigned by:

D141D267DDE14A0...
STEVEN STRODE



Real Estate Commissioner

Date 2/26/2021 | 9:56 AM PST

Date 3/10/2021 | 8:25 AM PST

Date of Service: 03/10/2021

**REAL ESTATE BOARD
ADMINISTRATIVE SERVICES DIVISION REPORT
April 5, 2021**

Administrative Services Manager: Mesheal Heyman

Accountant: Caty Karayel

Systems Administrator: Tiffani Miller

Program Analyst: Rus Putintsev

Operation & Policy Analyst: Denise Lewis

Section Overview

The Administrative Services Division acts as business support for the Agency overall. This division manages accounting, purchasing and contracting, inventory control, facilities, payroll, human resources, special projects, information technology (IT), performance, and communications.

Budget Update

For the 2019-2021 biennium, projected revenue is at **\$11 million** and projected expenses are at **\$8.8 million**. Our cash balance of **\$5.05 million**, up from \$3.42 million the same time last year when we were just comprehending the impact of the pandemic on the economy.

The 2021-23 Governor's Budget was published in late November at \$9.515 million for the Oregon Real Estate Agency. The 12% budget increase over the 2019-21 biennium would enable the Agency to continue existing levels of service and fund 29 positions to carry out its mission. There are no new policy option packages or spending categories included in the 2021-23 budget. Commissioner Strode's presentation of the Agency's budget to the Joint Committee on Ways and Means is estimated for mid-April. The final Legislatively Adopted Budget will be published in July 2021.

Update:

As the office continues to be closed, the division provides technical assistance to the rest of Agency staff so customer service and regulatory services can continue with the Agency's mission. There is still no expected return date.

Communications:

Due to the historic ice storm in February, the Oregon Real Estate News-Journal was delayed a month.

Also, we are still looking for articles from Board members. Pat Ihnat has already agreed to write an article.

Real Estate Agency - AY21

2019-2021 Budget - Biennium to Date Through June 30th 2021

<i>Budget Codes</i>		<u>19-2021 Legislative Approved Budget</u>	<u>Expected Total Expenditures for Biennium (current)</u>	<u>Expected Remaining Limitation at end of Biennium</u>
	Total Personal Services	7,066,023	6,334,552	731,471
4100 & 4125	In-State Travel & Out-of-StateTravel	98,762	46,059	52,703
4150	Employee Training	36,994	22,507	14,487
4175	Office Expenses	83,040	31,196	51,844
4200	Telecom/Tech Services & Support	64,621	49,927	14,694
4225	State Government Services	233,574	304,307	(70,733)
4250	Data Processing	109,297	125,825	(16,528)
4275	Publicity & Publications	36,718	708	36,010
4300 & 4315	Professional Services & IT Professional Services	186,339	229,088	(42,749)
4325	Attorney General Legal Fees	293,465	246,983	46,482
4375	Employee Recruitment	7,748	250	7,498
4400	Dues & Subscriptions	9,575	5,697	3,878
4425	Facilities Rent & Taxes	254,611	242,103	12,508
4475	Facilities Maintenance	4,519	9,144	(4,625)
4575	Agency Program Related S&S	940,723	954,935	(14,212)
4650	Other Services & Supplies	88,482	167,289	(78,807)
4700	Expendable Property \$250-\$5000	29,148	14,005	15,143
4715	IT Expendable Property	162,972	58,295	104,677
	Total Services & Supplies	2,640,588	2,508,317	132,271
	Totals	9,706,611	8,842,869	863,742

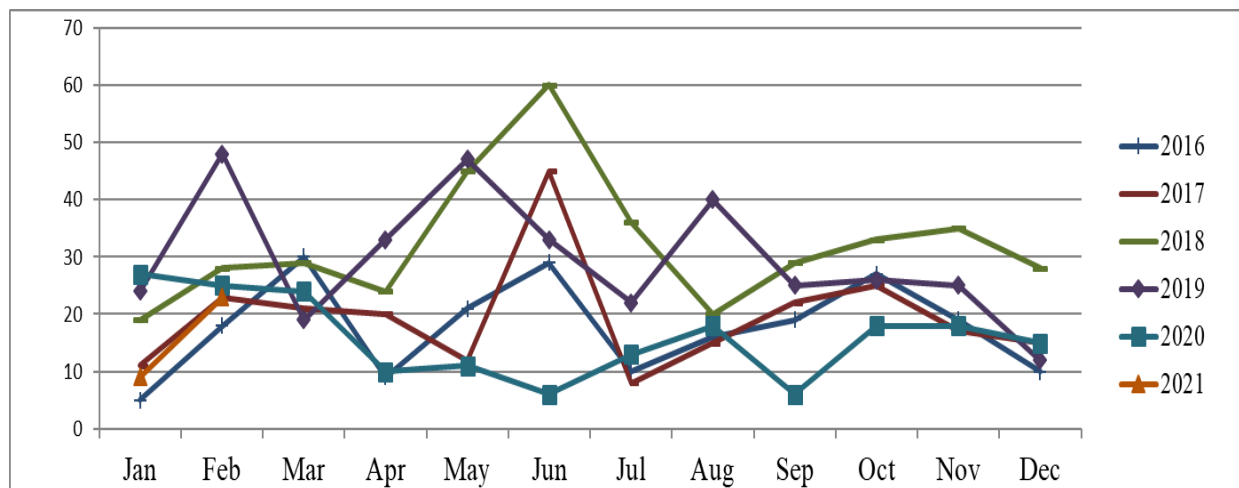
**Report to the Real Estate Board
Land Development Division
April 5th, 2021**

Division Manager: Michael Hanifin

Section Overview:

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

Workload and Activity Indicators



Through end of February the division has received 32 filings. This exceeds what we had in 2016 through the same timeframe and is slightly less than was seen in 2017.

Legislation:

The agency is tracking several bills this session which will be reviewed briefly at the board meeting.

Other Activity:

We are reviewing the membership campground law for potential revision, which will be covered in more detail at the meeting.

**REAL ESTATE BOARD
EDUCATION & LICENSING DIVISION REPORT
April 5, 2021**

Education & Licensing Manager: Madeline Alvarado

Compliance Specialist: Tami Schemmel

Compliance Specialist: Roger McComas

Compliance Specialist: Jenifer Wetherbee

Administrative Specialist: Elizabeth Hardwick

Administrative Specialist: Rick Marsland

Administrative Specialist: Nenah Darville

Section Overview

The Education and Licensing Division acts as support to the Agency as well as the first point of contact for the public. This division manages reception, licensing services, compliance reviews, client trust account reviews and education.

Ongoing Impacts from both COVID-19 and Wild Fires on Educators/Licensees/Applicants

- The Agency is providing 30 day extensions, for actively renewing licensees, to provide their certified continuing education class information.

Licensing Update

Pre-Licensing Education Renewals- Pre-license educators renewals will be due for renewal by 6/30/2021 and will be eligible to begin the renewal process 6/1/2021.

REMO Renewals- REMO renewals will be due for renewal by 6/30/2021 and will be eligible to begin the renewal process 6/1/2021.

Course Review- Currently reviewing a 150 hour Broker course and BASS course. In addition, I expect we'll be receiving both a Broker AP course and a PBAP course for review.

New Hires-The Agency is currently in the hiring process for a bilingual receptionist with a target start date sometime in mid-April.

Escrow Annual Reports & Financials- Escrow Annual Reports were due on March 31st and financial documents are due by May 31st. Escrow licensees who fail to submit the Annual Report and the financials will not be eligible for renew 6/1/21.

Key Performance Measures-

<u>KPMs</u>	<u>09/01/2020</u> <u>=</u> <u>02/28/2021</u>	<u>Target</u>	<u>Number of</u> <u>Participants</u>
#4 - Percent of licensees who rate the exam as "good" or "excellent" as an effective screen for competent and ethical professionals.	74	75	187
#5 - Customer Service (Overall)	90	85	455
Accuracy	90	85	459
Availability of Info.	90	85	456
Expertise	91	85	454
Helpfulness	90	85	459
Timeliness	89	85	454

RBN Renewal

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Eligible to Renew	424	345										
Failed to Renew	19	17										
% Renewed	96%	95%										

Licensing Statistics

Total Licensee Counts by Month:

Individuals (Persons)	Jan-21	Feb-21
Broker – Total	16,986	17,069
Active	15,216	15,272
Inactive	1,770	1,797
Principal Broker - Total	6,391	6,407
Active	5,995	6,014
Inactive	396	393
ALL BROKERS Total	23,377	23,476
Active	21,211	21,286
Inactive	2,166	2,190
Property Manager - Total	947	945
Active	823	817
Inactive	124	128
MCC Salesperson	16	15
MCC Broker	1	1
TOTAL INDIVIDUALS	24,341	24,437
Active	22,051	22,119
Inactive	2,290	2,318
Facilities (Companies)		
REMO	5	5
Registered Business Name (RBN)	3,859	3,854
Registered Branch Office (RBO)	765	770
Escrow Organization	66	66
Escrow Branch	147	147
Condominium Filing (CO)	124	132
Unit Owners Association	1,106	1,103
Pre-License Education Provider (PEP)	26	26
CEP	295	295
MCC Operator	25	25
TOTAL FACILITIES	6,418	6,424
TOTAL INDIVIDUALS & FACILITIES	30,759	30,861

New Licenses by Month:

Individuals (Persons)	Jan-21	Feb-21
Broker	284	208
Principal Broker	20	27
TOTAL BROKERS	304	235
Property Manager	8	7
MCC Salesperson	1	0
MCC Broker	0	0
TOTAL INDIVIDUALS	313	242
Facilities (Companies)		
Continuing Education Provider (CEP)	2	0
REMO	0	0
Registered Business Name	35	25
Registered Branch Office	2	14
Escrow Organization	0	0
Escrow Branch	0	0
Condominium Filing	0	0
Unit Owners Association	4	7
Pre-License Ed Provider	0	0
MCC Operator	0	0
TOTAL FACILITIES	41	46
TOTAL INDIVIDUALS & FACILITIES	354	288

Exam Statistics

February 2021
ALL LICENSING EXAMS

Total

Broker	618
Property Manager	23
Principal Broker	67
Reactivation	5

Pass Rates

<u>First Time Pass Rate</u> <u>Percentage</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Broker State	61	58	57	50	47
Broker National	73	72	70	68	67
Principal Broker State	58	59	51	53	67
Principal Broker National	76	77	69	63	65
Property Manager	69	67	64	58	71

Education & Licensing Division

Licensee Application & Renewal

2020 Data

New Applications													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Brokers	359	292	293	273	435	416	411	495	406	405	385	413	4583
Principal Brokers	37	44	37	15	24	27	35	44	25	31	31	50	400
Property Managers	21	23	20	19	20	24	23	31	24	16	32	17	270
Total	417	359	350	307	479	467	469	570	455	452	448	480	5253

Renewal Activity														
Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	480	487	526	514	556	511	553	546	550	548	449	544	6264
	Inactive	52	55	25	36	41	32	34	45	31	31	30	32	444
Late	Active	45	32	34	34	43	38	50	40	43	35	52	36	482
	Inactive	11	11	7	13	12	10	11	14	8	8	8	9	122
Lapse		85	92	100	107	97	114	130	135	128	102	111	105	1306
Total		673	677	692	704	749	705	778	780	760	724	650	726	8618

Principal Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	234	238	246	243	251	265	211	239	256	213	219	211	2826
	Inactive	9	17	9	15	13	9	11	9	11	9	10	7	129
Late	Active	13	7	11	9	12	4	10	7	10	7	12	9	111
	Inactive	0	2	3	1	1	2	2	1	1	1	1	2	17
Lapse		23	20	30	23	22	18	36	26	25	20	26	23	292
Total		279	284	299	291	299	298	270	282	303	250	268	252	3375

Oregon Real Estate Agency
Education & Licensing Division
Phone Counts

(minutes: seconds)	Jan – 21	Feb – 21	Mar – 21	Apr – 21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov--21	Dec-21	2021 Average
Call Count	1981	1801											1891
Average Wait Time	:51	:36											:43.5
Maximum Wait Time	0:19:17	0:10:52											0:15:04

(minutes: seconds)	Jan – 20	Feb – 20	Mar – 20	Apr – 20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov--20	Dec-20	2020 Average
Call Count	2117	1834	1830	1474	1468	1775	1875	1678	1749	1646	1593	1785	1735.3
Average Wait Time	:25	:21	:19	:23	:25	:35	:29	:26	:21	:20	:24	:29	:24.75
Maximum Wait Time	0:11:05	0:09:30	0:14:56	0:10:15	0:18:12	0:13:00	0:21:34	0:14:15	0:11:09	0:17:30	0:09:58	0:12:06	0:13:38

(minutes: seconds)	Jan – 19	Feb – 19	Mar – 19	Apr – 19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov--19	Dec-19	2019 Average
Call Count	2251	1748	1917	2138	2062	1738	1882	1685	1882	2012	1606	1637	1880
Average Wait Time	:20	:21	:29	:23	:24	:33	:30	:27	:26	:16	:25	:20	:24.5
Maximum Wait Time	16:06	9:32	21:21	14:03	15:58	13:20	11:15	12:00	13:59	10:15	5:51	8:21	12:40

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