



Oregon

Tina Kotek, Governor

AGENDA ITEM NO.

I.C.

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

Notice of Agency
OREGON REAL ESTATE BOARD
Regular Meeting Agenda – Videoconference (Zoom)
February 6, 2023

- I. BOARD BUSINESS - Chair Gonzalez**
 - A. Call to Order
 - B. Chair Gonzalez comments/Roll Call
 - C. Approval of the Agenda and Order of Business
 - D. Approval of 12.5.22, regular meeting minutes
 - E. Date of the Next Meeting: 04.03.23 to begin at 10am, Location Zoom
- II. PUBLIC COMMENT - Chair Gonzalez**
 - 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 Gonzalez Waiver request log.**
 - A. Kristie Hornbeck
- IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER - Chair Gonzalez.**
 - A. Oregon State Credit Union
- V. BOARD ADVICE/ACTION - Commissioner Strode**
 - A. none
- VI. NEW BUSINESS - Commissioner Strode**
- VII. COMMUNICATIONS - ADMINISTRATIVE ACTIONS SUMMARY - Chair Gonzalez**
- VIII. REPORTS – Chair Gonzalez**
 - A. Commissioner Strode
 - B. Agency division reports-Deputy Commissioner Higley
 1. Regulations, Elli Kataura
 2. Land Development Division, Michael Hanifin
 3. Administrative Services, Mesheal Heyman
 4. Licensing and Education, Maddy Alvarado
 5. Compliance Division, Liz Hayes
- IX. ANNOUNCEMENTS – Chair Gonzalez.** Next board meeting: 04.03.23 to begin at 10am, Location Zoom
- X. ADJOURNMENT – Chair Gonzalez**

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



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AGENDA ITEM NO.

I.D.

OREGON REAL ESTATE BOARD Regular Meeting Minutes – Via Zoom

December 5, 2022

BOARD MEMBERS PRESENT:

Marie Due
Michael Warren
LaTasha Beal
Kim Heddinger
Lawnae Hunter
Pat Ihnet
Jose Gonzalez
Susan Glen

BOARD MEMBERS ABSENT:

Alex MacLean

OREA STAFF PRESENT:

Steve Strode, Commissioner
Anna Higley, Deputy Commissioner
Elli Kataura, Regulation Division Manager
Liz Hayes, Compliance Division Lead
Mesheal Heyman, Administrative Services Division Manager
Michael Hanifin, Land Development Manager

CITIZEN:

Barbara Geyer
Robert Pile
Rachel Eastridge
Lawrence Belland

I. BOARD BUSINESS - Chair Ihnat

- A. Call to Order
- B. Chair Ihnat comments/Roll Call
- C. Approval of the Agenda and Order of Business

**MOTION TO APPROVE 12.5.2022 REGULAR MEETING AGENDA AS SUBMITTED BY LAWNAE HUNTER
SECONDED BY KIM HEDDINGER
MOTION CARRIED BY UNANIMOUS VOTE**

- D. Approval of 10.03.22, regular meeting minutes

**MOTION TO APPROVE 10.03.2022 REGULAR MEETING MINUTES AS SUBMITTED BY MARIE DUE
SECONDED BY MICHAEL WARREN
MOTION CARRIED BY UNANIMOUS VOTE**

- E. Date of the Next Meeting: 02.06.23 to begin at 10am, Location TBD

II. PUBLIC COMMENT - Chair Ihnat

- 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 Ihnat. Waiver request log.

- A. Robert Pile



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**MOTION TO APPROVE ROBERT PILE FOR EXPERIENCE WAIVE BY LAWNAE HUNTER
SECOND BY LATASHA BEAL
MOTION CARRIES WITH UNANIMOUS VOTE**

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER - Chair Ihnat.

A. Cherry Creek Mortgage, LLC

MOTION TO APPROVE CHERRY CREEK MORTGAGE, LLC AS A CONTINUING EDUCATION PROVIDER BY KIM HEDDINGER

SECOND BY MICHAEL WARREN

MOTION CARRIES WITH UNANIMOUS VOTE

B. Lawrence Belland

**MOTION TO APPROVE LAWRENCE BELLAND AS A CONTINUING EDUCATION PROVIDER BY JOSE GONZALEZ
SECOND BY SUSAN GLEN**

MOTION CARRIES WITH UNANIMOUS VOTE

C. Perfection Inspection Inc.

FAILURE TO APPEAR- NO VOTE-DOES NOT CARRY

V. BOARD ADVICE/ACTION - Commissioner Strode

A. 2023 Board Meeting Schedule & Locations

MOTION TO APPROVE 2023 BOARD MEETING SCHEDULE & LOCATIONS AS A CONTINUING EDUCATION PROVIDER BY PAT IHNAT

SECOND BY LAWNAE HUNTER

MOTION CARRIES WITH UNANIMOUS VOTE

B. Elect 2023 Board Chair & Vice-Chair

MOTION TO APPROVE JOSE GONZALES AS 2023-BOARD CHAIR AND SUSAN GLEN AS 2023-BOARD VICE CHAIR BY MARIE DUE

SECOND BY KIM HEDDINGER

MOTION CARRIES WITH UNANIMOUS VOTE

VI. NEW BUSINESS - Commissioner Strode

VII. COMMUNICATIONS - ADMINISTRATIVE ACTIONS SUMMARY - Chair Ihnat

VIII. REPORTS - Chair Ihnat

A. Commissioner Strode

B. Agency division reports-Deputy Commissioner Higley

1. Regulations, Elli Kataura
2. Land Development Division, Michael Hanifin
3. Administrative Services, Mesheal Heyman
4. Licensing and Education, Maddy Alvarado
5. Compliance Division, Liz Hayes

IX. ANNOUNCEMENTS - Chair Ihnat. Next board meeting: 02.06.23 to begin at 10am, Location TBD

X. ADJOURNMENT – Chair Ihnat

OREGON REAL ESTATE AGENCY – Experience Requirement Waiver Request Log (2018-2022)

<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	Joseph Edwards requests an experience waiver, Mr. Edwards contacted the agency to cancel his appearance due to unsafe road conditions.
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. 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 MOTION CARRIED BY UNANIMOUS VOTE</p>
6.3.19	Ruth Howard	PB	Approved	<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-loward1s 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</p>

				<p>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 Hedding 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. Hedding 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 UNANIMOUS 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 MOTION CARRIED BY UNANIMOUS VOTE</p>
12.07.20	Eric Zechenelly	PB		<p>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.</p> <p>MOTION TO DENY ERIC ZECHNELLEY'S 3 YEAR EXPERIENCE WAIVER REQUEST BY ALEX MACLEAN SECOND BY DAVE HAMILTON MOTION CARRIED BY UNANIMOUS VOTE</p>
02.01.21	Robert Tessmer	PB	MOTION FAILED – TIE VOTE	<p>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</p>

				<p>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.</p> <p>MOTION TO APPROVE ROBERT TESSMER'S EXPERIENCE WAIVER REQUEST BY LAWNAE HUNTER SECOND BY PAT IHNAT</p> <p>MOTION FAILS BY TIE VOTE (AYES: LAWNAE HUNTER, SUSAN GLEN, PAT IHNAT, ALEX MACLEAN. NAYS: MARIE DUE, DEBRA GISRIEL, KIM HEDDINGER, DAVE HAMILTON)</p>
02.01.21	Eric Zechnelley	PB	APPROVED	<p>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.</p> <p>MOTION TO APPROVE ERIC ZECHNELLEY'S WAIVER REQUEST BY PAT IHNAT SECOND BY LAWNAE HUNTER</p> <p>MOTION CARRIED BY UNANIMOUS VOTE</p>
04.05.21	Robert Tessmer	PB	APPROVED	<p>Robert Tessmer - David Malcolm, attorney for Mr. Tessmer explained Mr. Tessmer's qualifications qualifying him for the waiver request. Alex MacLean asked Mr. Malcolm to explain Mr. Tessmer's anticipated supervisory duties would be and Mr. Malcolm responded that Mr. Tessmer had no plans to hire brokers. Pat Ihnat summarized Mr. Tessmer's business plan as a sole proprietor shop, assisting buyers to find property. Debra Gisriel asked Mr. Tessmer is he currently held a brokers' license or taken the principal broker's course work and Mr. Malcolm responded that Mr. Tessmer did not hold a broker's license or taken the principal broker's coursework.</p> <p>MOTION TO APPROVE ROBERT TESSMER'S EXPERIENCE WAIVER REQUIREMENT REQUEST BY LAWNAE HUNTER SECOND BY PAT IHNAT</p> <p>MOTION CARRIED BY 6 AYES (ALEX MACLEAN, PAT IHNAT, MARIE DUE, KIM HEDDINGER, JOSE GONZALEZ, AND LAWNAE HUNTER) AND 3 NAYS (DAVID HAMILTON, SUSAN GLEN, AND DEBRA GISRIEL)</p>
06.07.21	Michael Paluska	PB	APPROVED	<p>Michael Paluska explained his background as an attorney he did not practice litigation and had over 25 years of experience in real estate law. Chair MacLean asked Mr. Paluska what experience he had with continuing education and Mr. Paluska responded that he had provided continuing education for the commercial industry members and for attorneys. Lawnae Hunter asked Mr. Paluska if he intended to operate a traditional brokerage, which would include supervising other brokers and he indicated that was his intention. Chair MacLean asked Mr. Paluska to elaborate on his current supervisory role and he explained that his practice consisted of one attorney and his management experience has been managing staff at various companies that he has owned. Dave Hamilton asked if he intended to continue to run his law firm and Mr. Paluska responded that he would.</p> <p>MOTION TO APPROVE MICHAEL PALUSKA'S REQUEST FOR EXPERIENCE WAIVER BY PAT IHNAT SECOND BY KIM HEDDINGER</p> <p>MOTION CARRIED BY 8 YES VOTES (ALEX MACLEAN, PAT IHNAT, MARIE DUE, JOSE GONZALEZ, DEBRA GISRIEL, LAWNAE HUNTER, SUSAN GLEN, AND KIM HEDDINGER) ONE NO (DAVE HAMILTON)</p>
04.04.22	Dana McNeil	PB	APPROVED	<p>Dana McNeil requested board approval for a 21 month waiver of the 3 year broker experience requirement for the principal broker license. Ms. McNeil outlined her experience of 15 years in commercial real estate, working specifically in the GSA niche in real estate negotiation, project management and construction.</p> <p>MOTION TO APPROVE DANA MCNEIL'S REQUEST FOR EXPERIENCE WAIVER BY ALEX MACLEAN SECOND BY LAWNAE HUNTER</p> <p>MOTION CARRIED BY UNANIMOUS VOTE</p>
06.06.22	Robert Pile	PB	MOTION FAILED – TIE VOTE	<p>MOTION TO APPROVE ROBERT PILE PRINCIPAL BROKER EXPERIENCE WAIVER BY ALEX MACLEAN SECOND BY LAWNAE HUNTER</p> <p>MOTION DOES NOT CARRY WITH SPLIT VOTE– (Gisriel-Nay, Due-Nay, Glen-Nay, Heddinger-Nay, Beal-Aye, Hunter-Aye, MacLean-Aye, Ihnet-Aye)</p>
12.5.22	Robert Pile	PB	APPROVED	<p>MOTION TO APPROVE ROBERT PILE'S REQUEST FOR EXPERIENCE WAIVER BY LAWNAE HUNTER SECOND BY LATASHA BEAL</p> <p>MOTION CARRIED BY UNANIMOUS VOTE</p>

Oregon Real Estate Board

Experience Requirement Waiver Request

Date: December 12, 2022
 Name Kristie L. Hornbeck
 Address: 1160 NW Constellation Drive
 Daytime Phone Number: 541-408-5143 Oregon License Number: 2012380005

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
 If yes, please state the dates for which you held an Oregon real estate license: 12/15/2021 to present
 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 . Indicate the following

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

4. 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.	X		09/29/2022	Attach original course certificate.	
Submitted the Real Estate License Application for Principal Broker license and \$300 fee. Must be completed PRIOR to waiver request.	X			Attach copy of confirmation letter from Agency.	
Successfully passed the Oregon Principal Broker exam. Must be completed PRIOR to waiver request.	X			National Score: <u>67</u> State Score: <u>44</u>	
Graduated from a four-year college or university with a degree in real estate curriculum approved by the Commissioner.(863-014-0042)		X		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)		X		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)	X			Attach a written details about your additional real estate experience that would assist in the Board's consideration of your waiver request.	

	Yes	No	Date Completed	Additional Required Information	Agency Use Only
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.	

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:

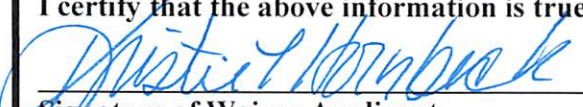

- o Letters of reference pertaining to your real estate experience
- o Letters of reference from current or past supervising principal brokers
- o Supervisory experience
- o Familiarity and experience in other related industries: escrow, title, mortgage, etc.

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@oregon.gov.

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 971-719-3406 or madeline.c.alvarado@oregon.gov.

I certify that the above information is true to the best of my knowledge.	
 _____ Signature of Waiver Applicant	 _____ Date

2022 BOARD MEETING DATES

MEETING DATE

February 7, 2022
 April 4, 2022
 June 6, 2022
 August 1, 2022
 October 3, 2022
 December 5, 2022

WAIVER PACKET DUE DATE

January 17, 2022
 March 14, 2022
 May 16, 2022
 July 11, 2022
 September 12, 2022
 November 14, 2022

Principal Broker Course Completion Certificate

THIS CERTIFICATE WILL VERIFY THAT:

Kristie Hornbeck

Real Estate License Number: 201238005

Mailing Address of:

62958 NE Layton Ave, Ste 5, Bend, OR 97701

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 **September 29, 2022** 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, LLC.

Chris Culbertson, School Director

7405 SW Beveland Road, Portland, OR 97223

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

Phone: (503) 670-9278

Certificate Authentication Number: 2089672

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

Click to verify: <https://www.onlineed.com/VERIFY?72AB-2E3E-D0CF-F0A8-198F>





Kristie Hornbeck <kristieh@mtvistahomes.com>

Payment Confirmation for E-Payments

1 message

Oregon Real Estate Agency <epaynoreply@usbank.com>
To: kristieh@mtvistahomes.com

Fri, Sep 30, 2022 at 4:02 PM

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

Thank you for your payment.

This email is to confirm your payment submitted on Sep-30-2022 for E-Payments.

Confirmation Number: ORREAB000223060
Payment Amount: \$300.00
Scheduled Payment Date: Sep-30-2022
Amount Due: \$300.00

Payer Name: Kristie Hornbeck
Credit Card Number: *
Credit Card Type: VISA
Approval Code: 002868

Merchant: REAL ESTATE EPAY
Website: <https://orea.elicense.irondata.com/>

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U.S. BANCORP made the following annotations

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KRISTIE L. HORNBECK
Licensed Oregon Real Estate Broker
PacWest Realty Group
389 SW Scalehouse Ct., Ste 110, Bend, Oregon 97702
o: 541-323-0239 / c: 541-408-5143
kristieh@mtvistahomes.com

December 12, 2022

Oregon Real Estate Board
530 Center St. NE, Ste 100
Salem, OR 97301

Re: Information in Support of Experience Waiver
Kristie L. Hornbeck (#201238005)

Dear Board Members:

First and foremost, thank you for taking the time to consider my request for an Experience Waiver. I write to you today to provide additional information about myself and information regarding my current and past experience in the real estate industry, that I believe provides me with the knowledge and experience required to manage a real estate business and provide appropriate supervision to Oregon real estate licensees.

Reason for Request: My current employer has offered me a position as its Principal Broker in 2023 should I be able to become eligible. Our current Principal Broker, Steven Wilson, is also a Chief Sales Officer for our affiliated company MonteVista Homes. With his elevation within the company structure and his added responsibilities during this difficult market, it has been determined that PacWest Realty Group will need to hire a principal broker. This opportunity is very important to my professional development and I feel confident in my ability to perform and to add value to not only my company, but the real estate community in general.

Real Estate Experience: I have attached to this application a copy of my professional resume as it documents that I have been involved in the real estate industry for over **25 years**. During the last two years and eight months with PacWest Realty Group, I have managed and participated in over **300** residential transactions and complex vacant/developable land acquisitions. During my many years of employment in law firms here in Oregon, I managed and participated in complex transactions for both the sale and purchase of residential and commercial real estate. I have also participated in the land use process at the state and local level. I have legal research skills and

knowledge with regard to the application of the Oregon Administrative Rules and Oregon Revised Statutes in Oregon. I have advanced research skills regarding real property records and encumbrances of title and vesting. I have assisted in the formation of many corporations, limited liability companies, and professional corporations. I have been a Notary for the State of Oregon for almost 30 years and have notarized and recorded hundreds of deeds.

Business and HR Experience: From 2007 until 2020 I served as an officer and director for an Oregon nonprofit with employees. I served first as a Secretary, then as Treasurer, and finally as Vice Present. HR decisions, employee oversight, annual budgeting, contract negotiation, taxes, and facilities agreements were required to be handled, managed, filed, and negotiated annually.

During my employment with PacWest Realty Group, I have managed four employees in the Transaction Department and fostered a positive working relationship with all of our brokers and escrow officers.

Accounting Experience: In addition to my time as a treasurer for the non-profit, as part of my employment at Brinich & Bertalan, LLP, I was tasked with preparing monthly invoices for the firm and worked together with another employee to ensure accurate trust account balances and transfers monthly. As one of their paralegals, I also prepared and managed annual accountings for their guardianship/conservatorship clients. This required meticulous review and documentation of banking transactions for an entire year for each protected person that were then filed and reviewed by the Deschutes County Probate Commissioner.

Thank you for the opportunity to share my experience and qualifications with you. Please feel free to reach out if you have any questions or need additional information not provided here or included with the Experience Requirement Waiver Request Packet.

Respectfully,



Kristie L. Hornbeck

KRISTIE L. HORNBECK
Licensed Oregon Real Estate Broker
PacWest Realty Group
389 SW Scalehouse Ct., Ste 110, Bend, Oregon 97702
o: 541-323-0239 / c: 541-408-5143
kristieh@mtvistahomes.com

RELEVANT EXPERIENCE:

PacWest Realty Group
MonteVista Homes
389 SW Scalehouse Ct, Ste 110
Bend, Oregon 97702
Transactions 2020 - Present

Brinich & Bertalan, LLP
250 NW Franklin Ave, Ste 101
Bend, Oregon 97702
Paralegal 2018 - 2020
Probate, Guardianship/Conservatorship Accounting, Business/Corp., and Civil Litigation

Lynch Conger, LLP
Miller Nash Graham & Dunn, LLP
1567 SW Chandler Ave, Ste 204
Bend, Oregon 97702
Paralegal 2015 to 2018
Litigation, Land Use, Real Estate, and Business/Corporate

Bend Swim Club, Inc., an Oregon nonprofit organization
800 NE 6th St
Bend, OR 97701
Board of Directors 2007 - 2020
Officer Positions: Secretary, Treasurer, Vice Present

Bryant, Lovlien & Jarvis, P.C.
591 SW Mill View Way Bend, Oregon 97702
Legal Assistant/Paralegal 1995 to 2015
Land Use, Real Estate, Business/Corporate, School Law, and Litigation
Receptionist 1992 to 1995

PROFESSIONAL LICENSES/MEMBERSHIPS

Oregon Notary 1993 – Present
Oregon Real Estate Broker 2021 – Present
Central Oregon Association of Realtors 2021 – Present
National Association of Realtors 2021 - Present

REAL ESTATE CERTIFICATES

Fundamentals of Transaction Coordination
Transaction Coordinator (TC) Launch Pad
Oregon Real Estate Broker Pre-License Training
Broker Advanced Practices
Law and Rule Required Course 2022-2023
Brokerage Administration and Sales Supervision

December 14, 2022

Oregon Real Estate Board
530 Center St. NE, Ste 100
Salem, OR 97301

Re: Experience Waiver – Current Employer Experience Verification and Letter of Recommendation
Kristie L. Hornbeck (#201238005)

Dear Board Members:

I have been a managing principal real estate broker in Oregon for more than 30 years. I support the Experience Waiver Request submitted by Kristie Hornbeck. Kristie has been with PacWest Realty Group and MonteVista Homes since April of 2020 managing our transaction department and as a licensed broker since 2021.

Kristie was hired during the Covid shut down in 2020 when the legal profession came to a virtual standstill. With over 25 years of experience in Oregon as a professional paralegal and legal assistant in Real Estate, Land Use, Business, and Litigation her background gave our company one of the most experienced, knowledgeable and ethical real estate professionals I have had the pleasure to work with.

Kristie's prior roles included managing complex real estate transactions, land use, land acquisitions, and complex business formations during her 25 years working for law offices. This has made her an excellent fit for managing our new home sales real estate transactions department and assisting in our land development acquisitions. Kristie's experience has been invaluable.

Since joining PacWest Realty Group in 2020 Kristie has been responsible for the closings of more than 350 new home sales, construction loans, and many complex land development acquisitions.

Kristie has a passion for real estate, the legal process, and compliance. Kristie's management of the transaction department has made my life so much better, every transaction is complete, processes developed, education review and continuous training. Kristie is respected by and has positive relationships with our Real Estate Brokers, construction, and accounting departments along with our executive team. She often provides support, mentoring, and guidance on best practices to our team.

I believe that Kristie's combined years of experience make her more than qualify her to become Principal Broker for our company.

Respectfully submitted,



Steven M Wilson, Principal Broker
PacWest Realty Group



MonteVista Homes & PacWest Realty Group

CCB# 203709

Built with You in Mind

www.MonteVistaHomes.com

December 12, 2022

Oregon Real Estate Board
530 Center St. NE, Ste 100
Salem, OR 97301

Re: Experience Waiver – Current Employer Experience Verification and Letter of Recommendation
Kristie L. Hornbeck (#201238005)

Dear Board Members:

I write to you in support of the Experience Waiver Request submitted by Broker, Kristie Hornbeck. Kristie has been with PacWest Realty Group and MonteVista Homes since April of 2020. However, she came to my business with over 25 years of experience in Oregon as a professional paralegal and legal assistant in Real Estate, Land Use, Business, and Litigation. Kristie managed complex business formations, transactions, and complex real estate and land use matters during those 25 years, which I determined made her an excellent fit for PacWest Realty Group and its future.

Since joining PacWest Realty Group in 2020 in the transaction department, which she manages, Kristie has been responsible for closings of our new home sales, construction loans, and land acquisitions. During her time with the company, Kristie has developed positive relationships with our Brokers and often provides support, mentoring, and guidance on best practices. Kristie's management responsibilities for the transaction department have included: process development, hiring, education, training, performance evaluation, performance improvement plans, and employee terminations.

Kristie's combined years of experience qualify her to take the next step in her professional journey and future with PacWest Realty Group by becoming a Principal Broker.

Sincerely,

Luke Pickerill, Principal Broker
Owner of PacWest Realty Group and MonteVista Homes



Hornbeck - Transaction Particip

From: 04/01/2020 - 12/31/2022

Note: Does not include lot and land acquisition transactions

	ADDRESS	ACTUAL CLOSE
April 2020		
	1315 SW 23rd St	04/28/2020
	1391 SW 23rd St	04/29/2020
	2378 SW Metolius Ave	04/29/2020
	2362 SW Newberry Lp	04/30/2020
	410 S 10th AVE	04/30/2020
May 2020		
	420 S 10th Street	05/08/2020
	1371 E Newport Ave	05/11/2020
	1437 E Hurlburt Ave	05/17/2020
	2334 SW Metolius Ave	05/19/2020
	1467 SW 23rd St	05/22/2020
	450 S 10th Street	05/27/2020
	2366 SW Newberry Lp	05/28/2020
June 2020		
	1335 E Newport Ave	06/01/2020
	1454 E Hurlburt Ave	06/03/2020
	1337 SW 23rd St	06/03/2020
	1460 E Hurlburt Ave	06/04/2020
	2588 SW Metolius Ave	06/05/2020
	2576 SW Metolius Ave	06/05/2020
	380 S 10th Street	06/05/2020
	1383 E Newport Ave	06/11/2020
	1327 E Newport Ave	06/17/2020
	1438 E Newport Ave	06/17/2020
	2478 SW Metolius Ave	06/19/2020
	1382 E Newport Ave	06/30/2020
July 2020		
	2458 SW Newberry Lp	07/03/2020
	1323 E Newport Ave	07/07/2020
	2477 SW Newberry Lp	07/07/2020
	2465 SW Newberry Lp	07/10/2020
	1534 E Hurlburt Ave	07/15/2020
	1347 E Newport Ave	07/20/2020
	2356 SW Metolius Ave	07/24/2020
	1436 E Hurlburt Ave	07/28/2020

2552 SW Metolius Ave	07/28/2020
430 S 10th Ave	07/30/2020
1475 E Hurlburt Ave	07/31/2020
2474 SW Newberry Lp	07/31/2020
2515 SW Newberry Loop	07/31/2020

August 2020

810 Aldrich Way	08/07/2020
2509 SW Newberry Lp	08/11/2020
470 S 10th Street	08/13/2020
2564 SW Metolius Ave	08/26/2020
2311 SW Obsidian Ave	08/28/2020

September 2020

2377 SW Obsidian Ave	09/04/2020
975 Aldrich Way	09/09/2020
2343 SW Obsidian Ave	09/10/2020
460 S 10th Street	09/10/2020
2453 SW Newberry Lp	09/11/2020
2407 SW Newberry Lp	09/15/2020
310 S 10th Street	09/15/2020
480 S 10th Street	09/15/2020
1547 E Hurlburt Ave	09/16/2020
1497 E Hurlburt Ave	09/18/2020
2398 SW Metolius Ave	09/18/2020
2454 SW Metolius Ave	09/23/2020
2498 SW Newberry Lp	09/25/2020
2420 SW Metolius Ave	09/28/2020
2365 SW Obsidian Ave	09/30/2020

October 2020

2492 SW Metolius Ave	10/06/2020
2419 SW Newberry Lp	10/08/2020
1452 E Newport Ave	10/14/2020
955 Aldrich Way	10/15/2020
445 S 10th Street	10/23/2020
1907 NW 6th St.	10/28/2020
2441 SW Newberry Lp	10/30/2020

November 2020

950 Aldrich Way	11/03/2020
1464 E Newport Ave	11/05/2020
2395 SW Newberry Lp	11/13/2020
2326 NW Teak Ave	11/16/2020

1551 E Hurlburt Ave	11/17/2020
1910 NW 6th St.	11/17/2020
2348 NW Teak Ave	11/18/2020
360 S 10th Street	11/20/2020
1588 E Newport Ave	11/25/2020
2466 SW Metolius Ave	11/30/2020

December 2020

2514 SW Metolius Ave	12/04/2020
1394 E Newport Ave	12/08/2020
2398 SW Newberry Lp	12/11/2020
1556 E Hurlburt Ave	12/14/2020
1536 E Newport Ave	12/14/2020
875 Aldrich Way	12/14/2020
2383 SW Newberry Lp	12/17/2020
2432 SW Metolius Ave	12/18/2020

January 2021

1577 E Hurlburt Ave	01/08/2021
1406 E Newport Ave	01/08/2021
2546 SW Newberry Lp	01/13/2021
850 Aldrich Way	01/13/2021
2522 SW Newberry Lp	01/15/2021
2534 SW Newberry Lp	01/20/2021
2386 SW Newberry Lp	01/22/2021
910 Aldrich Way	01/22/2021
855 Aldrich Way	01/22/2021
1936 NW 6th St.	01/22/2021
2351 SW Newberry Lp	01/26/2021
2327 NW Teak Ave	01/27/2021
1945 NW6th St.	01/27/2021
1957 NW 6th St.	01/29/2021

February 2021

2349 NW Teak Ave	02/02/2021
340 S 9th Street	02/02/2021
2371 NW Teak Ave	02/04/2021
1924 NW 6th St.	02/10/2021
1933 NW 6th St.	02/12/2021
2510 SW Newberry Lp	02/19/2021
2374 SW Newberry Lp	02/23/2021
425 S 10th Street	02/24/2021

March 2021

465 S 10th Street	03/04/2021
2340 SW Newberry LP	03/05/2021
1562 E Newport Ave	03/09/2021
455 S 10th Street	03/09/2021
1558 E Newport Ave	03/12/2021
2446 SW Newberry Lp	03/12/2021
1903 NW Archer Dr.	03/18/2021
2434 SW Newberry Lp	03/19/2021
870 Aldrich Way	03/23/2021
1535 E Hurlburt Ave	03/30/2021
835 Aldrich Way	03/30/2021
1904 NW Archer Dr.	03/30/2021
2422 SW Newberry Lp	03/31/2021

April 2021

1439 E Newport Ave	04/01/2021
2392 NW Teak Ave	04/02/2021
2370 NW Teak Ave	04/09/2021
310 S 9th Street	04/09/2021
2415 NW Teak Ave	04/12/2021
475 S 10th Street	04/13/2021
1908 NW Archer Dr.	04/13/2021
1597 E Hurlburt Ave	04/14/2021
2410 SW Newberry Lp	04/14/2021
1921 NW 6th St.	04/16/2021
2414 NW Teak Ave	04/19/2021
830 Aldrich Way	04/20/2021
1915 NW Archer Dr	04/22/2021
2393 NW Teak Ave	04/23/2021
2570 SW Newberry Lp	04/28/2021
925 Aldrich Way	04/29/2021

May 2021

1912 NW Archer Dr	05/04/2021
2437NW Teak Ave	05/07/2021
2469 NW Teak Ave	05/10/2021
1451 E Newport Ave	05/11/2021
1907 NW Archer Dr.	05/11/2021
2436 NW Teak Ave	05/12/2021
970 Aldrich Way	05/25/2021
1916 NW Archer Dr	05/25/2021
1463 E Newport Ave	05/26/2021
2468 NW Teak Ave	05/27/2021
2638 SW Metolius Ave	05/27/2021

June 2021

815 Aldrich Way	06/01/2021
1922 NW Archer Dr	06/01/2021
550 S 10th Street	06/09/2021
516 W Hope Ave	06/09/2021
2925 NW 23rd St.	06/11/2021
2913 NW 23rd St.	06/11/2021
2891 NW 23rd St.	06/11/2021
490 S 10th Street	06/11/2021
527 W Hope Ave	06/15/2021
2857 NW 23rd St.	06/18/2021
1535 E Newport Ave	06/23/2021
510 S 10th Street	06/23/2021
528 W Hope Ave	06/23/2021
549 W Hope Ave	06/29/2021
562 W Hope Ave	06/29/2021
2869 NW 23rd St.	06/30/2021

July 2021

550 W Hope Ave	07/01/2021
2835 NW 23rd St.	07/02/2021
530 S 10th Street	07/06/2021
596 W Hope Ave	07/23/2021
2813 NW 23rd St.	07/28/2021
570 S 10th Street	07/28/2021
292 NW Monte Vista Ave.	07/29/2021

August 2021

340 S 10th Street	08/03/2021
561 W Hope Ave	08/04/2021
289 NW Monte Vista Ave.	08/06/2021
580 S 10th Street	08/09/2021
1934 NW Archer Dr	08/17/2021
584 W Hope Ave	08/18/2021
970 Shelby Way	08/20/2021
955 Shelby Way	08/23/2021
950 Shelby Way	08/24/2021
318 NW Double Eagle Ave	08/24/2021
1938 NW Archer Dr	08/25/2021
1942 NW Archer Dr	08/31/2021

September 2021

328 NW Double Eagle Ave	09/03/2021
930 Shelby Way	09/08/2021

275 NW Monte Vista Ave. 09/17/2021
1948 NW Archer Dr 09/22/2021
1956 NW Archer Dr 09/24/2021
1951 NW Archer Dr 09/24/2021
274 NW Monte Vista Ave. 09/24/2021
870 Shelby Way 09/29/2021
910 Shelby Way 09/30/2021
1256 NW Golf Course Dr. 09/30/2021

October 2021

850 Shelby Way 10/04/2021
1952 NW Archer Dr 10/05/2021
354 NW Double Eagle Ave 10/07/2021
1242 NW Golf Course Dr. 10/12/2021
810 Shelby Way 10/15/2021
1967 NW Archer Dr 10/15/2021
1962 NW Archer Dr 10/18/2021
925 Shelby Way 10/21/2021
1973 NW Archer Dr 10/22/2021
269 NW Monte Vista Ave. 10/22/2021
830 Shelby Way 10/27/2021
875 Shelby Way 10/27/2021
1968 NW Archer Dr 10/28/2021
2594 NW Spruce Pl. 10/29/2021

November 2021

1974 NW Archer Dr 11/02/2021
975 Shelby Way 11/05/2021
253 NW Monte Vista Ave. 11/05/2021
855 Shelby Way 11/08/2021
1973 NW 6th St 11/08/2021
1978 NW Archer Dr 11/10/2021
1969 NW 6th St 11/12/2021
1986 NW Archer Dr 11/19/2021
2570 NW Spruce Pl. 11/29/2021
835 Shelby Way 11/30/2021
1995 NW 6th St 11/30/2021

December 2021

1985 NW Archer Dr 12/01/2021
247 NW Monte Vista Ave. 12/01/2021
1994 NW Archer Drive 12/02/2021
815 Shelby Way 12/03/2021
2481 NW Teak Ave 12/09/2021
2480 NW Teak Ave 12/13/2021

2019 NW 6th St 12/13/2021
1998 NW Archer Dr 12/13/2021
2546 NW Spruce Pl. 12/14/2021
2558 NW Spruce Pl. 12/14/2021
2801 NW 23rd St. 12/14/2021
2524 NW Spruce Pl. 12/15/2021
528 E Legacy Ave. 12/16/2021
1993 NW Archer Dr 12/17/2021
2582 NW Spruce Pl. 12/20/2021
1268 NW Golf Course Dr. 12/20/2021
250 NW Monte Vista Ave. 12/21/2021
2500 NW Spruce Pl. 12/28/2021
366 NW Double Eagle Ave 12/28/2021
242 NW Monte Vista Ave 12/29/2021

January 2022

506 NE Legacy Ave. 01/10/2022
2007 NW 6th St 01/11/2022
2512 NW Spruce Pl. 01/14/2022
2491 NE 5th St. 01/14/2022
241 NW Monte Vista Ave 01/14/2022
262 NW Monte Vista Ave. 01/14/2022
2479 NE 5th St. 01/19/2022
1058 NW Willow Parkway 01/21/2022
1064 NW Willow Parkway 01/28/2022

February 2022

1065 NW Willow Parkway 02/10/2022
2457 NE 5th St. 02/11/2022
1053 NW Willow Parkway 02/14/2022
224 NW Monte Vista Ave 02/15/2022
1076 NW Willow Parkway 02/23/2022
181 NW Monte Vista Aven 02/23/2022
2031 NW 6th St 02/24/2022

March 2022

529 E Legacy Ave 03/01/2022
541 E Legacy Ave. 03/11/2022
2411 NE 5th St. 03/11/2022
170 NW Monte Vista Ave. 03/18/2022
1084 NW Willow Parkway 03/23/2022
172 NW Monte Vista Aven 03/23/2022
587 E Legacy Ave. 03/25/2022
588 E Legacy Ave. 03/28/2022
1116 NW Willow Parkway 03/29/2022

April 2022

1121 NW Willow Parkway 04/08/2022
1255 NW Golf Course Dr. 04/13/2022
182 NW Monte Vista Ave. 04/13/2022
1997 NW Archer Dr 04/15/2022
536 E Templeton Ave. 04/22/2022
1126 NW Willow Parkway 04/22/2022
2381 NE 5th St. 04/25/2022
210 NW Doube Eagle Ave 04/25/2022
512 E Templeton Ave. 04/26/2022
1265 NW Golf Course Dr. 04/27/2022
564 E Legacy Ave. 04/28/2022
507 E Legacy Ave. 04/29/2022
2367 NE 5th St. 04/29/2022

May 2022

1276 NW Golf Course Dr. 05/03/2022
513 E Templeton Ave. 05/04/2022
571 E Templeton Ave. 05/06/2022
1147 NW Willow Parkway 05/10/2022
1177 NW Willow Parkway 05/11/2022
1239 NW Golf Course Dr. 05/12/2022
563 E Legacy Ave. 05/13/2022
559 E Templeton Ave. 05/13/2022
1165 NW Willow Parkway 05/19/2022
1142 NW Willow Parkway 05/20/2022
1133 NW Willow Parkway 05/24/2022
572 E Templeton Ave. 05/26/2022
558 E Templeton Ave. 05/27/2022
1275 NW Golf Course Dr. 05/27/2022

June 2022

2345 NE 5th St. 06/02/2022
1231 NW Golf Course Dr. 06/02/2022
2433 NE 5th St. 06/03/2022
1132 NW Golf Course Dr. 06/03/2022
594 E Templeton Ave. 06/07/2022
1122 NW Golf Course Dr. 06/08/2022
542 E Legacy Ave. 06/14/2022
537 E Templeton Ave. 06/17/2022
349 NW Monte Vista Ave. 06/21/2022
364 NW Monte Vista Ave. 06/23/2022
2321 NE 5th St. 06/24/2022
2303 NE 5th St. 06/28/2022
350 NW Monte Vista Ave. 06/30/2022

July 2022

339 NW Monte Vista Ave. 07/12/2022
369 NW Double Eagle Ave 07/15/2022
345 NW Double Eagle Ave 07/25/2022
521 E Heather Ave. 07/29/2022
329 NW Double Eagle Ave 07/29/2022

August 2022

1381 NW Willow Parkway 08/08/2022
338 NW Monte Vista Ave. 08/15/2022
522 E Heather Ave. 08/17/2022
544 E Heather Ave. 08/19/2022
3733 Rockcress Rd. 08/23/2022
353 NW Double Eagle Ave 08/25/2022

September 2022

503 E Heather Ave. 09/08/2022
568 E Heather Ave. 09/09/2022
2277 NE 5th St. 09/15/2022
592 E Heather Ave. 09/16/2022
1397 NW Willow Parkway 09/23/2022
560 W Theater Lane 09/30/2022

October 2022

3703 Rockcress Rd. 10/07/2022
548 W Theater Lane 10/14/2022
279 NW Double Eagle Ave 10/14/2022
2237 NE 5th St. 10/28/2022

November 2022

517 E Rosa Ave. 11/04/2022
2615 Cascara Dr. 11/04/2022
263 NW Double Eagle Ave 11/04/2022
2619 Cascara Dr. 11/15/2022
573 E Rosa Ave. 11/18/2022

December 2022

2297 NE 5th St. 12/08/2022
3802 Rockcress Rd. 12/08/2022
301 NW Double Eagle Ave 12/08/2022
3726 Rockcress Rd.

223 NW Double Eagle Ave
3743 Rockcress Rd.
315 NW Double Eagle Ave



PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER

Rev. 1/2017

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

INSTRUCTIONS

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

IMPORTANT:

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

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

PETITIONER

Name Oregon State Credit Union Phone Number 541-714-4035

Physical Address 4800 SW Research Way Address Cont. _____

City Corvallis State OR Zip Code 97333 County Benton

E-mail rshepro@oregonstatecu.com

Mailing Address (if different) PO BOX 306 Address Cont. _____

City Corvallis State OR Zip Code 97339 County Benton

AUTHORIZED CONTACT PERSON

Prefix Ms. _____ First Name Robyn Last Name Shepro

Phone Number 541-714-4035 E-mail rshepro@oregonstatecu.com

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

AGENCY USE ONLY

Approved by Board YES NO

Review Date _____

IMPORTANT - PLEASE READ

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

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

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

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

PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER, Continued

QUALIFICATION INFORMATION

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

Information **MUST** include one or both of the following:

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

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

Oregon State Credit Union is continuously involved in providing community education. Education is one of Oregon State Credit Union's Core Values. "Oregon State Credit Union encourages advocacy for the credit union movement, promotes financial literacy for its members and provides education for its team." Oregon State Credit Union's history of conducting these types of events is greater than 15 years. The events include on-site, remote and third party associations. These include but are not limited to, multiple real estate finance courses for Oregon State Credit Union members and the community at large. For example, "How to Win at the Home Buying Game" which is a class conducted for borrowers looking to purchase a home and, the "ABCs of Home -buying" in conjunction with various local Housing Assistance Agencies. Oregon State Credit Union also collaborates with specific Real Estate Offices to conduct combined classes for homeownership. Oregon State Credit Union also has a Community Education Program providing on-going education for various entities throughout the State of Oregon. Topics to be covered offer a broad range of understanding to licensees covering Real Estate Finance and meet the requirements of OAR 863-020-0035 such as: Real Estate Property Evaluation, appraisal, or valuation; Real Estate Finance and all aspects thereof.

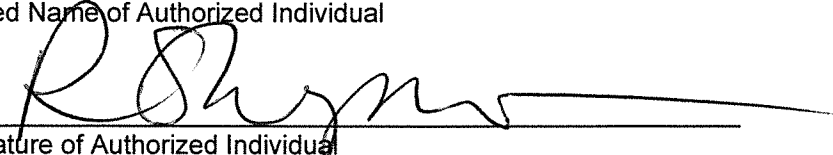
AUTHORIZATION AND ATTESTATION

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

Robyn Shepro

Date 1/3/2023

Printed Name of Authorized Individual



Signature of Authorized Individual

ADMINISTRATIVE ACTIONS

Reported

11/8/22 through 1/13/23

REVOCATIONS

Floeck, Laura Lee (Junction City) Property Manager 201234196, Final Order by Default dated December 2, 2022, issuing a revocation.

SUSPENSIONS

Turk, Christine (Eugene) Property Manager 201218968, Stipulated Final Order dated 1/4/2022, issuing a suspension.

LIMITED LICENSE

Sanchez, Linda (Portland) Principal Broker 200808094, Stipulated Final Order dated 12/8/2022, issuing a limited license.

REPRIMANDS

Cook, Nicholas Matthew (Portland) Principal Broker 200804051, Stipulated Final Order dated November 18, 2022, 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

Unlicensed Activity

None

Escrow

None

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)

LAURA LEE FLOECK)

FINAL ORDER BY DEFAULT

PROCEDURAL HISTORY AND PROCEDURAL LAW

1.

1.1 On October 25, 2022, the Real Estate Commissioner issued, by certified mail, a *Notice of Intent to Revoke* the property manager license of Laura Lee Floeck (Floeck)The Oregon Real Estate Agency (Agency) sent the *Notice of Intent* to Floeck’s last known addresses of record with the Agency (PO Box 157, Junction City, OR 97448 and 584 Greenwood St., Junction City, OR 97448). The *Notice of Intent* was also mailed to Floeck by regular first-class mail to the above addresses in a handwritten envelope. And *The Notice of Intent* was emailed to Floeck at her email address of record.

1.2 The email was not returned as undeliverable.

1.3 Neither the certified mailings nor the first-class mailings have been returned to the Agency. Over twenty days (20 days) have elapsed since the mailing of the notice issued in this matter and no written request for hearing has been received by the Agency.

2.

Based upon the foregoing, and upon the Agency’s investigation reports, documents and files that, pursuant to Section 9 of the *Notice of Intent*, automatically become part of the evidentiary record of this disciplinary action upon default (for the purpose of proving a prima facie case (ORS 183.417(4)), the Real Estate Commissioner finds:

2.1 A notice of intent is properly served when deposited in the United States mail, registered or certified mail, and addressed to the real estate licensee at the licensee’s last known address of record with OREA. (ORS 183.415(2); OAR 137-003-0505; OAR 863-001-0006. If correctly addressed, such a notice is effective even though it is not received by the

person to be notified. *Stroh v. SAIF*, 261 OR 117, 492 P2d 472 (1972) (footnote 3 in this case misquotes the cited treatise and contradicts the text of the opinion; treatise and cited case law support the proposition stated in the text.) Also, notice is effective even though the addressee fails or refuses to respond to a postal service “mail arrival notice” that indicates that certified or registered mail is being held at the post office. See *State v. DeMello*, 300 Or App 590, 716 P2d 732 (1986) (discussing use of certified mail to effectuate notice of driver’s license suspension under ORS 482.570). See also *El Rio Nilo, LLC v. OLCC*, 240 Or App 362, 246 P3d 508 (2011) (Notice by certified mail effective even though addressee did not pick up in time to file request for hearing timely).(Oregon Attorney General’s Administrative Law Manual and Uniform Model Rules Of Procedure Under the Administrative Procedures 2019 Edition at pages 97-98.

2.2 Floeck’s last known addresses of record with the Agency were PO Box 157, Junction City, OR 97448 and 584 Greenwood St. Junction City, OR 97448.

2.3 A certified mailing of the *Notice of Intent* was mailed to Floeck at her last known addresses of record on October 25, 2022. The certified mailings of the notice have not been returned to the Agency.

2.4 The notice was also mailed regular first-class mail in a handwritten envelope to both of the above possible addresses for Floeck. The mailings in the handwritten envelope have not been returned to OREA. The OAH Rules contain a rebuttable presumption that documents sent by regular mail are received by the addressee. ORS 137-003-0520(10). If the regularly mailed notice is actually received, it is effective on the date received, rather than the date of mailing.

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

2.6 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a real estate license, whether by operation of law, order of the Real Estate Commissioner or decision of a court of law, or the inactive status of the license, or voluntary surrender of the license by the real estate licensee does not deprive the commissioner of jurisdiction to: (1) proceed with an investigation of the licensee; (2) conduct disciplinary proceedings relating to the licensee; (3) Take action against a licensee, including assessment of a civil penalty against

the licensee for a violation of ORS 696.020(2); or (4) revise or render null and void an order suspending or revoking a license.

2.7 As noted in section 9 of the *Notice of Intent to Revoke* and section 2 above, the Agency's entire investigation file was designated as the record for purposes of presenting a prima facie case upon default, including submissions from Floeck and all information in the administrative file relating to the mailing of notices and any responses received.

FINDINGS OF FACT

3.

3.1 At all times mentioned herein, Floeck was licensed as a property manager with Five Star Property Management LLC (Five Star PM). Floeck is the only licensee associated with Five Star PM.

3.2 On July 8, 2022, the Agency received a complaint from property owners, Michael and Vivian Buehler (Buehlers), against Tony Rojas (Rojas) from Five Star PM. The Agency opened an investigation.

3.3 On April 29, 2022, the Buehlers, as members of Safara LLC, and Floeck signed a property management agreement for properties located at 427 and 447 Goodyear St., Eugene (subject properties).

3.4 According to the property management agreement, the property manager was granted authority to collect rents and required to monthly remit the proceeds less disbursements to the owners. These owner funds were to be disbursed generally between the 20th and 25th day of each month. However, per the agreement, the distribution could occur as late as the last business day of any given month.

3.5 At the time of their July complaint, Buehlers had only received one check for the month of May 2022. According to the Buehlers, Five Star PM had informed them that both tenants paid their June 2022 rent and that the Buehlers would be receiving their rental funds. In the complaint, Buehlers wrote since the beginning of June 2022, no one from Five Star PM would return phone calls, text or emails.

3.6 On August 9, 2022, Vivian Buehler told Agency Investigator/Financial Auditor Aaron Grimes (Grimes) that Five Star PM told her the June check was in the mail two Thursdays prior, but she had never received anything.

3.7 The Buehlers did not receive their June or July 2022 rental income for the subject properties.

3.8 On August 9, 2022, Grimes called Flock at the phone number on file with the Agency. He received a message stating the number was no longer in service. That same day, Grimes emailed Flock at the email address listed in Agency records. The email was returned to the Agency with a message that stated, "The email account that you tried to reach is disabled." A review of Agency records shows no other current email address for Floeck on file.

3.9 On August 12, 2022, Grimes left a voicemail on Five Star PM's business line for Floeck. On August 23, 2022, Grimes left another voicemail for Floeck at the Five Star PM business line. Floeck failed to respond to all of Grimes' contact attempts.

3.10 All of the above demonstrates incompetence or untrustworthiness in performing any act for which Floeck is required to hold a license; conduct below the standard of care for the practice of professional real estate activity in Oregon; and fraud or dishonest conduct.

STATEMENT OF LAW APPLICABLE TO FINDINGS OF FACT

4.

4.1 ORS 696.301(3) states a real estate licensee's real estate license may be disciplined if they have: (3) disregarded or violated any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency

4.2 ORS 696.301(12) states a licensee's real estate license can be disciplined if they have demonstrated incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license.

4.3 ORS 696.301(14) (2021 Edition) states a licensee's real estate license may be disciplined who has (14) committed an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of professional real estate activity.

4.4 ORS 696.301(15) (2021 Edition) states a licensee's real estate license may be disciplined who has engaged in any conduct that is below the standard of care for the practice

of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

4.5 ORS 696.301(3) as it incorporates:

a. OAR 863-024-0062(1) (1-1-2021 Edition) which states (1) each active, inactive and expired property manager licensee must maintain on file with the Agency a current mailing address and email and notify the Agency within 10 calendar days of a change of mailing or email address.

b. ORS 696.890(4)(a),(c),(d),(e), and (f) (2021 Edition) which states (4) a real estate property manager owes the property owner the following affirmative duties: (a) to deal honestly and in good faith; (b) to disclose material facts known by the property manager and not apparent or readily ascertainable to the owner; (c) to exercise reasonable care and diligence; (d) to account in a timely manner for all funds received from or on behalf of the owner; (e) to act in a fiduciary manner in all matters relating to trust funds; (f) to be loyal to the owner by not taking action that is adverse or detrimental to the owner's interest.

ULTIMATE FINDINGS OF FACT

5.

5.1 Floeck failed to disburse the June and July 2022 rental income to the Buehlers for the subject properties, as required by the property management agreement.

5.2 Floeck failed to maintain a current email address on file with the Agency.

5.3 Floeck demonstrated incompetence or untrustworthiness in performing any act for which Floeck is required to hold a license; engaged in conduct below the standard of care for the practice of professional real estate activity in Oregon; and committed an act fraud or engaged in dishonest conduct.

5.4 In summary, the facts above establish grounds to revoke Floeck's property manager license.

CONCLUSIONS OF LAW

6.

6.1 Pursuant to ORS 183.417(4) and OAR 137-003-0670 Floeck is in default.

6.2 The material facts establish a violation of a ground for discipline, by preponderance of the evidence, under ORS 696.301 as set forth in the *Notice of Intent to Revoke License No. PM 201234196*. ORS 696.396(1),(2)(c)(B) and (C).

6.3 Based on these violations, the Agency may revoke Floeck's property manager license.

6.4 Specifically, Floeck is subject to discipline pursuant to ORS 696.301(3), (12), (14) and (15) for: (3) disregarding or violating any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency; (12) demonstrating incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license; (14) committing an act of fraud or engaging in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of professional real estate activity; and (15) engaging in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

6.5 A revocation of Floeck's property manager license is appropriate for violations of ORS 696.301(3), (12), (14), and (15).

6.6 A revocation of Floeck's property manager license is appropriate under ORS 696.396(2)(c)(B) and (C). According to ORS 696.396(2)(c)(B) and (C) the Agency may revoke a real estate license if the material facts establish a violation of a ground of discipline under ORS 696.301 that: (B) exhibits incompetence in the performance of professional real estate activity; (C) exhibits dishonesty or fraudulent conduct.

6.7 Based on the evidence in the record, the preponderance of the evidence supports the revocation of Floeck's property manager license.

6.8 The Agency may therefore, revoke Floeck's manager license.

6.9 The specific violations are repeated here below:

(1): By failing to disburse the June and July 2022 rental income to the Buehlers for the subject properties, as required by the property management agreement, Floeck violated ORS 696.301(3) as it incorporates ORS 696.890(4)(a),(c),(d),(e), and (f) (2021 Edition).

(2): By failing to maintain a current email address on file with the Agency, Floeck violated ORS 696.301(3) as it incorporates OAR 863-024-0062(1) (1-1-2021 Edition).

(3): In all of the above, Floeck demonstrated incompetence or untrustworthiness in performing any act for which Floeck is required to hold a license; engaged in conduct below the standard of care for the practice of professional real estate activity in Oregon; and committed an act of fraud or dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, in violation of ORS 696.301(12), (14), and (15) (2021 Edition).

ORDER

IT IS HEREBY ORDERED that Laura Lee Floeck's property manager license is revoked.

Dated this 2nd day of December, 2022.

OREGON REAL ESTATE AGENCY

DocuSigned by:
Steven Strode
E2C2D0097AD8471...



Steven Strode
Real Estate Commissioner

NOTICE OF RIGHT TO APPEAL: You are entitled to judicial review of this Order. Judicial review may be obtained by filing a petition for review within 60 days from the date of service of this order. Judicial review is to the Oregon Court of Appeals, pursuant to the provisions of ORS 183.482.

Certificate of Mailing

On December 2, 2022, I mailed and emailed the foregoing Final Order by Default issued on this date in Agency Case No. 2022-422.

By: First Class Mail

Laura Lee Floeck
PO Box 157
Junction City, OR 97448

Laura Lee Floeck
584 Greenwood St.
Junction City, OR 97448

By Email:

Laura Lee Floeck
laura.floeck@fivestarpropertypros.com

Rick Marsland
Licensing Specialist

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)
NICHOLAS MATTHEW COOK) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Nicholas Matthew Cook (Cook) do hereby agree and stipulate to the following:

FINDINGS OF FACT, STATEMENTS OF LAW
AND
CONCLUSIONS OF LAW

1.

In establishing the violations set forth herein, the Agency may rely on one or more of the definitions contained in ORS 696.010.

First Findings of Fact:

1.1 At all times mentioned herein, Cook was licensed as a principal broker with Sleep Sound Property Management, Inc. (Sleep Sound PM).

1.2 On November 8, 2021, the Agency received a complaint from John Perry (Perry) against Cook. The Agency opened an investigation.

1.3 Perry was the owner of four separate single- family houses on a single lot located at 8422, 8426, 8430 and 8434 SE Clinton St., Portland (subject property). Between January 2, 2021, and October 31, 2021, the subject property was managed by Sleep Sound PM.

1.4 The property management agreement between Perry and Cook was executed on December 14, 2020, with an effective date of January 2, 2021. The monthly management fees were 10% of the gross monthly rents for the property.

1.5 Prior to Sleep Sound PM and Cook taking over management, the subject property was managed by Gordon Properties, Inc,. Gordon Properties held \$8,585 in security

1 deposits in total for the following tenants: Peter Hurzhuy (Hurzhuy), Andres Tello (Tello), Max
2 Valdez (Valdez) and Mackenzie Hall (Hall).

3 1.6 Posting of tenant ledgers (as noted below in the Third Findings of Fact), owner
4 ledgers (as noted here and in the Sixth and Sixth Part A Findings of Fact) and monthly
5 reconciliations (as noted below in the Ninth, Tenth, Eleventh, Twelfth, Fifteenth, Seventeenth
6 and Eighteenth Findings of Fact) lacked the requirements sufficient for tracking and
7 reconciliation.

8 1.7 Multiple owner statements for the subject property were provided for the
9 investigation. A review of the statements for the months of January 2021 through November
10 2021 showed the statements were inconsistent with each other, did not match, and showed
11 changes Cook made to records at a later date.

12 **First Statement of Law:** ORS 696.301(3) authorizes the Commissioner to reprimand a
13 licensee's real estate license who has disregarded or violated any provision of ORS 659A.421,
14 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the
15 Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-025-
16 0035(3)(b) (1/1/2021 Edition), which states (3) if a property manager uses a computerized
17 system for creating, maintaining and producing required records and reports: (b) posting of
18 owner ledgers, record of receipts and disbursements, tenant ledgers and manipulation of
19 information and documents must be maintained in a format that will readily enable tracking and
20 reconciliation.

21 **First Conclusion of Law:** Posting of tenant ledgers, owner ledgers, and monthly
22 reconciliations, lacked the requirements sufficient for tracking and reconciliation, including
23 manipulation and changes Cook made to the records at a later date in violation of ORS
24 696.301(3) and its implementing rule 863-025-0035(3)(b) (1/1/2021 Edition).

25 **Second Findings of Fact:**

26 1.8 The tenant ledger for Max Valdez (Valdez) showed on January 26, 2021, a
27 charge with the description, "Security Deposits," in the amount of \$1,585.00 and a \$2.00
28 "Convenience Fee" leaving a balance of \$1,597.00. The ledger also shows dated February 9,
29 2021, a "Web Pay CHK" payment received in the amount of \$1,595, which lacks identifying
30 information for the purpose of the funds. The tenant ledger for Valdez lacks the required

1 identifying information to determine the purpose of the funds and a check number or cash
2 receipt or series of letters and numbers that establishes an audit trail.

3 **Second Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
4 reprimand a licensee's real estate license who has disregarded or violated any provision of
5 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
6 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
7 863-025-0050(4)(d)(B)(C) (1/1/21 Edition), which states (4) a tenant's ledger must contain at
8 least the following information: (d) for each deposit of funds: (B) the purpose of the funds and
9 identity of the person who tendered the funds; and (C) the check number, cash receipt number
10 or a unique series of letters and/or numbers that established an audit trail to the receipt of the
11 funds.

12 **Second Conclusion of Law:** By posting a receipt of a security deposit to the tenant
13 ledger for Valdez, without establishing an audit trail to the receipt and purpose of the funds,
14 Cook violated ORS 696.301(3) and its implementing rule OAR 863-025-0050(4)(d)(B)(C)
15 (1/1/21 Edition).

16 **Third Findings of Fact:**

17 1.9 In his response to the complaint, Cook stated they had changed to a new
18 software program on January 1, 2021, and failed to differentiate funds held in clients' trust
19 account ending in #6360 from funds held in the security deposits account ending in #6337.
20 Cook stated Sleep Sound PM had not received security deposits from Gordon Properties by
21 the time they received rent payments from the tenants. When Sleep Sound PM received the
22 rent payments from the tenants, the January 2021 rent payments from tenants Tello and
23 Valdez were applied in error to the outstanding deposits charged instead of the January rent.

24 1.10 The payments from tenants Tello and Valdez were received as "Web Payments"
25 and the allocation was applied automatically as "Security Deposits" by Sleep Sound PM's
26 software.

27 1.11 Gordon Properties mailed check #23494 for \$8,585.00 in security deposit funds
28 to Sleep Sound property management on January 8, 2021. The check was paid on February
29 11, 2021.

30 1.12 The security deposit funds were erroneously disbursed to Perry along with his

1 first owner's disbursement on February 22, 2021. Cook admitted he did not know the security
2 deposits had been disbursed until Perry terminated the property management agreement in
3 October 2021.

4 1.13 A review of the property management agreement states Cook as the property
5 manager was required to maintain the security deposits.

6 1.14 The security deposit funds were not held in Sleep Sound's security deposit
7 account ending in #6337.

8 **Third Statement of Law:** ORS 696.301(3) authorizes the Commissioner to reprimand a
9 licensee's real estate license who has disregarded or violated any provision of ORS 659A.421,
10 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the
11 Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-025-
12 0030(1)(b) (1/1/21 Edition), which states (1) Except as provided in section (3) of this rule, all
13 tenants' security deposit received by a property manager must be deposited and maintained
14 in a security deposits account until: (b) the property manager disburses the tenant's security
15 deposit for purposes authorized by the tenant's rental or lease agreement and the property
16 management agreement.

17 **Third Conclusion of Law:** By disbursing the tenant security deposits not in accordance
18 with the property management agreement, Cook violated ORS 696.301(3) and its
19 implementing rule OAR 863-025-0030(1)(b) (1/1/21 Edition).

20 **Third Part A, Third Part B, Third Part C, Fourth, and Fourth Part A Findings of**
21 **Fact:**

22 1.15 The security deposit funds for the subject property were disbursed to Perry on
23 February 22, 2021.

24 1.16 A review of Perry's monthly owner statement dated January 21, 2021, to
25 February 22, 2021, showed security deposits held were \$8,585.00 but lacked any identifying
26 information for receipt of the funds into clients' trust account #6360. It stated an income of
27 \$8,465.00 and the net income/loss shown was \$7,511.36. Nothing was posted for February
28 11, 2021, relating to receipt of the \$8,585.00 security deposits. Under the "Cash
29 Requirements" section, the total reserve showed \$0.00, and total security deposits held
30 showed \$8,585.00. The ending bank balance was \$19,298.36. There was no entry posted

1 showing the distribution of the security deposits held.

2 1.17 On February 22, 2021, Sleep Sound PM emailed Perry a second owner
3 statement. The ending bank balance was the same as the first statement and the "Cash
4 Requirements" section showed a total reserve of \$0.00 and the security deposits held were
5 \$8,585.00.

6 1.18 Cook's monthly owner statement dated January 21, 2021, to February 22, 2021,
7 stated an income of \$6,085.00. The statement failed to identify receipt of security deposits into
8 clients' trust account #6360 and nothing was posted for February 11, 2021, relating to receipt
9 of the security deposits. Under "Other Transactions" an entry showed dated February 22,
10 2021, with a description of "ePay 3020 Owner Distribution KMP Clinton LLC" for amount of -
11 \$18,798.36. Another entry was posted below for -\$500.00 leaving an ending bank balance of
12 \$0.00.

13 1.19 Cook's "Final Owner Statement" dated January 1, 2021, to March 4, 2022, for
14 February 11, 2021, shows an entry of "Internet Transfer," identified in the "Payment" column in
15 the amount of \$8,585.00. The statement shows an entry on February 22, 2021, in the
16 "Deposit" column with the description, "Due to January 2021" for a deposit in the amount of
17 \$8,585.00. It indicates an ending balance on February 22, 2021, of \$500.00. The entries in the
18 owner ledger do not include identifying information, check number, or a unique series of letters
19 and/or numbers to establish an audit trail to the receipt of funds.

20 1.20 In review of the February 2021 bank statements for clients trust account ending
21 in #6360 and security deposit account ending in #6337 and the owner statements claiming a
22 payment of \$18,798.36 on February 22, 2021, the owner distribution to Perry of \$18,798.36 is
23 not traceable.

24 **Third Part A Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
25 reprimand a licensee's real estate license who has disregarded or violated any provision of
26 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
27 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
28 863-025-0027(9) (1/1/21 Edition) which states (9) A property manager must record the transfer
29 of any funds from a clients' trust account or security deposits account by a check, by written
30 proof of transmittal or receipt retained in the property manager's records. The property

1 manager must record the transfer of other documents by written proof of transmittal or receipt
2 retained in the property manager's records. A property manager may transfer funds
3 electronically via the Internet or Automated Clearing House (ACH) software from a client's trust
4 account to a bank account maintained by the owner and a property manager may make
5 payments electronically to a vendor's account for expenses relating to the owner's property. If
6 the software program used for the transfer does not automatically update the owner's ledger,
7 the property manager must manually record the transfer in the owner's ledger. At the time the
8 transfer is made, the property manager must print and preserve a hard copy of the electronic
9 record of the transfer.

10 **Third Part A Conclusion of Law:** By disbursing the security deposit funds that Cook
11 was required to hold for property owner Perry, to Perry, on February 22, 2021, and by failing to
12 make an adequate record of the disbursement, including the final disposition of the security
13 deposits to Perry, Cook violated ORS 696.301(3) and its implementing rule OAR 863-025-
14 0027(9) (1/1/2021 Edition).

15 **Third Part B Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
16 reprimand a licensee's real estate license who has disregarded or violated any provision of
17 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
18 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
19 863-025-0065(8) (1/1/21 Edition) which states, a property manager must maintain a complete
20 record of all funds or other consideration received in the property manager's property
21 management activity. This record must show from whom the funds or other consideration was
22 received, the date of the receipt, the place and date of deposit, and the final disposition of the
23 funds or other consideration.

24 **Third Part B Conclusion of Law:** By disbursing the security deposit funds that Cook
25 was required to hold for property owner Perry, to Perry, on February 22, 2021, and by failing to
26 make an adequate record of the disbursement, including the final disposition of the security
27 deposits to Perry, Cook violated ORS 696.301(3) and its implementing rule OAR 863-025-
28 0065(8) (1/1/21 Edition).

29 **Third Part C Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
30 reprimand a licensee's real estate license who has disregarded or violated any provision of

1 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
2 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through ORS
3 696.890(4)(a)(c)(e) (2021 Edition) which states, (4) a real estate property manager owes the
4 property owner the following affirmative duties: (a) to deal honestly and in good faith; (c) to
5 exercise reasonable care and diligence; (e) to act in a fiduciary manner in all matters relating
6 to trust funds.

7 **Third Part C Conclusion of Law:** By disbursing the security deposit funds that Cook
8 was required to hold for property owner Perry, to Perry, on February 22, 2021, and by failing to
9 make an adequate record of the disbursement, including the final disposition of the security
10 deposits to Perry, Cook violated ORS 696.301(3) and its implementing statute ORS
11 696.890(4)(a)(c)(e) (2021 Edition).

12 **Fourth Statement of Law:** ORS 696.301(3) authorizes the Commissioner to reprimand
13 a licensee's real estate license who has disregarded or violated any provision of ORS
14 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any
15 rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-
16 025-0055(3)(b)(B)(C) (1/1/21 Edition), which states (3) all owners ledgers must contain at least
17 the following information: (b) for each deposit of funds: (B) the purpose of the funds and
18 identity of the person who tendered the funds; (C) the check number, cash receipt number or a
19 unique series of letters and/or numbers that established an audit trail to the receipt of funds.

20 **Fourth Conclusion of Law:** Owner ledgers for Perry show the tenant security deposits
21 received into and disbursed to Perry from clients' trust account ending #6360 were not
22 identified as required in violation of ORS 696.301(3) and its implementing rule OAR 863-025-
23 0055(3)(b)(B)(C) (1/1/21 Edition).

24 **Fourth Part A Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
25 reprimand a licensee's real estate license who has disregarded or violated any provision of
26 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
27 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
28 863-025-0055(4) (1/1/21 Edition) which states in part, a property manager must report in
29 writing any change in the owner's ledger. A monthly report, showing all receipts and
30 disbursements for the account of the owner during the prior monthly period, is sufficient under

1 this section.

2 **Fourth Part A Conclusion of Law:** By failing to properly identify the receipt of security
3 deposits in the owner ledger, Cook violated ORS 696.301(3) and its implementing rule OAR
4 863-025-0055(4) (1/1/21 Edition).

5 **Fifth Findings of Fact:**

6 1.21 Perry terminated the property management agreement effective October 31,
7 2021. According to Consultant Peter Bale (Bale), who had been assisting Cook through
8 Attorney Jack Graham (Graham), told Grimes that three ledgers which were “provisional”
9 closing statements would have been shared with Perry when he came to the office at the end
10 of the property management agreement. Two of these three ledgers showed security
11 deposits/refundable deposits of \$2,012.00.

12 1.22 After reviewing the “provisional” closing statements, Perry emailed Cook
13 regarding his confusion about the security deposits, stating that his first owners statement
14 noted security deposits held was \$8,585.00.

15 1.23 On the final owner statement on November 5, 2021, rental income is shown and
16 received and disbursed from unit #8426 in the amount of \$1,607.00, leaving a balance of
17 \$700.77 on November 9, 2021, which continued to be reduced by \$14.00 per month until a
18 credit for overcharge was posted for \$252.00 on March 1, 2021. An entry described as a
19 “Final Disbursement” on March 2, 2022 for \$840.77 left a balance of \$0.00 on the ledger.

20 1.24 Bale told Grimes that Cook had put the final accounting for Perry on hold pending
21 the outcome of the investigation. On March 2, 2022, Bale emailed Grimes stating Cook had
22 sent a check for \$840.77 to Perry.

23 **Fifth Statement of Law:** ORS 696.301(3) authorizes the Commissioner to reprimand a
24 licensee’s real estate license who has disregarded or violated any provision of ORS 659A.421,
25 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the
26 Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-025-
27 0070(2)(a)(b)(A)(B)(C) (1/1/21 Edition) which states (2) not later than 60 days after the
28 effective date of the termination, the property manager must: (a) disburse all obligated funds to
29 the party or parties entitled to the funds; and (b) provide the owner with the following: (A) a
30 final accounting of the owner’s ledger account; (B) all funds belonging to the owner as shown

1 on the owner's ledger, unless the owner directs the property manager, in writing, to transfer the
2 funds to another property manager, escrow agent or person; (C) an accounting of all security
3 deposits and fees held for tenants.

4 **Fifth Conclusion of Law:** Upon termination of the property management agreement on
5 October 31, 2021, Cook failed to disburse within 60-days of the effective termination date a
6 final accounting, all obligated funds and an accounting of the tenant security deposits for
7 owner Perry until March 2, 2022, a violation of ORS 696.301(3) and its implementing rule OAR
8 863-025-0070(2)(a)(b)(A)(B)(C) (1/1/21 Edition).

9 **Sixth Findings of Fact:**

10 1.25 The January 2021, February 2021, March 2021, December 2021 and January
11 2022 reconciliations for clients' trust account ending in #6360 and security deposits account for
12 ending in #6337 were all prepared by Roberto Cervantes (Cervantes) for Sleep Sound PM on
13 March 10, 2022, and were reviewed and approved by Cook on the same date.

14 **Sixth Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
15 reprimand a licensee's real estate license who has disregarded or violated any provision of
16 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
17 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
18 863-025-0028(2)(d)(A)(B)(3)(d)(A)(B) (1/1/21 Edition) which states (2) a property manager
19 must reconcile each clients' trust account within 30 calendar days of the date of the bank
20 statement pursuant to the requirements contained in this section. (d) within 30 calendar days
21 from the date of the bank statement, the property manager must: (A) complete the
22 reconciliation document; and (B) sign and date the reconciliation document, attesting to the
23 accuracy and completeness of the reconciliation. (3) a property manager must reconcile each
24 security deposits account within 30 calendar days of the bank statement date pursuant to the
25 requirements contained in this section. (d) within 30 calendar days of the date of the bank
26 statement, the property manager must: (A) complete the reconciliation document; and (B) sign
27 and date the reconciliation document, attesting to the accuracy and completeness of the
28 reconciliation.

29 **Sixth Conclusion of Law:** By failing to prepare the following reconciliations for the
30 months of: January 2021, February 2021, March 2021, December 2021 and January 2022 for

1 clients' trust account ending in #6360 and security deposits account ending in #6337 until
2 March 10, 2022, Cook violated ORS 696.301(3) and its implementing rule OAR 863-025-
3 0028(2)(d)(A)(B)(3)(d)(A)(B) (1/1/21 Edition).

4 **Seventh Findings of Fact:**

5 1.26 The January 2021 reconciliation document for security deposit account ending in
6 #6337 states a balance in Part I of \$513,259.65, Part II of \$507,669.65, and Part III of
7 \$507,669.65. In the explanation of the difference in Part IV of \$5,590.00 it stated, "Related to
8 transaction for Leonard Guan on 1/22/2021."

9 **Seventh Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
10 reprimand a licensee's real estate license who has disregarded or violated any provision of
11 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
12 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
13 863-025-0028(3)(b) (1/1/21 Edition) which states (3) a property manager must reconcile each
14 security deposits account within 30 calendar days of the bank statement date pursuant to the
15 requirements contained in this section. (b) the balances of each component in section (3)(a) of
16 this rule must be equal to and reconciled with each other. If any adjustment is needed, the
17 adjustment must be clearly identified and explained on the reconciliation document.

18 **Seventh Conclusion of Law:** In the explanation of the difference stated for Part IV of
19 \$5,590.00, "Related to transaction for Leonard Guan on 1/22/2021," Cook failed to clearly
20 identify and explain any adjustment needed on the January 2021 reconciliation document for
21 security deposits account ending in #6337 in violation of ORS 696.301(3) and its implementing
22 rule OAR 863-025-0028(3)(b) (1/1/21 Edition).

23 **Eighth Findings of Fact:**

24 1.27 The February 2021 reconciliation of the security deposits account ending in
25 #6337 states a balance in Part I of \$509,374.99, Part II of \$497,036.94, and Part III of
26 \$497,036.94. The reconciliation summary explaining the Part IV difference of \$12,338.05
27 states, "Pending Transfers." These pending transfers were not clearly identified and explained
28 in the reconciliation document.

29 **Eighth Statement of Law:** ORS 696.301(3) authorizes the Commissioner to reprimand
30 a licensee's real estate license who has disregarded or violated any provision of ORS

1 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any
2 rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-
3 025-0028(3)(b)(4) (1/1/21 Edition) which states (3) a property manager must reconcile each
4 security deposits account within 30 calendar days of the bank statement date pursuant to the
5 requirements contained in this section. (b) the balances of each component in section (3)(a) of
6 this rule must be equal to and reconciled with each other. If any adjustment is needed, the
7 adjustment must be clearly identified and explained on the reconciliation document. (4) a
8 property manager must take corrective action to resolve all adjustments made in a
9 reconciliation prior to the next reconciliation or document the good faith efforts the property
10 manager has taken to resolve the adjustment.

11 **Eighth Conclusion of Law:** In the explanation of the difference stated for Part IV of
12 \$12,338.05, "Pending Transfers," Cook failed to clearly identify and explain that difference on
13 the February 2021 reconciliation document for security deposits account ending in #6337 and
14 he failed to take corrective action to resolve all adjustments made in the reconciliation prior, in
15 violation of ORS 696.301(3) and its implementing rule OAR 863-025-0028(3)(b)(4) (1/1/21
16 Edition).

17 **Ninth Findings of Fact:**

18 1.28 The March 2021 reconciliation of the security deposits account ending in #6337
19 states a balance in Part I of \$446,726.99, Part II of \$440,553.45, and Part III of \$440,553.45.
20 The reconciliation summary explaining the difference of \$6,173.54 for Part IV states, "Pending
21 transfers." These pending transfers were not clearly identified and explained in the
22 reconciliation document.

23 **Ninth Statement of Law:** ORS 696.301(3) authorizes the Commissioner to reprimand a
24 licensee's real estate license who has disregarded or violated any provision of ORS 659A.421,
25 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the
26 Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-025-
27 0028(3)(b)(4) (1/1/21 Edition) which states (3) a property manager must reconcile each
28 security deposits account within 30 calendar days of the bank statement date pursuant to the
29 requirements contained in this section. (b) the balances of each component in section (3)(a) of
30 this rule must be equal to and reconciled with each other. If any adjustment is needed, the

1 adjustment must be clearly identified and explained on the reconciliation document. (4) a
2 property manager must take corrective action to resolve all adjustments made in a
3 reconciliation prior to the next reconciliation or document the good faith efforts the property
4 manager has taken to resolve the adjustment.

5 **Ninth Conclusion of Law:** In the explanation of the difference stated for Part IV of
6 \$6,173.54, "Pending transfers," Cook failed to clearly identify and explain that difference on the
7 March 2021 reconciliation document for security deposits account ending in #6337 and he
8 failed to take corrective action to resolve all adjustments made in the reconciliation prior, in
9 violation of ORS 696.301(3) and its implementing rule OAR 863-025-0028(3)(b)(4) (1/1/21
10 Edition).

11 **Tenth Findings of Fact:**

12 1.29 The December 2021 reconciliation of clients trust account ending in #6360 states
13 a balance in Part I of \$281,666.75, Part II of \$270,681.90, and Part III of \$270,681.90. In the
14 explanation of the difference in Part IV of \$10,984.85, the following was written "Pending
15 Transfers." These pending transfers were not clearly identified and explained in the
16 reconciliation document.

17 **Tenth Statement of Law:** ORS 696.301(3) authorizes the Commissioner to reprimand
18 a licensee's real estate license who has disregarded or violated any provision of ORS
19 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any
20 rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-
21 025-0028(2)(b) (1-1-21 Edition) which states (2) a property manager must reconcile each
22 clients' trust account within 30 calendar days of the date of the bank statement pursuant to the
23 requirements contained in this section. (b) the balances of each component in section (2)(a) of
24 this rule must be equal to and reconciled with each other. If any adjustment is needed, the
25 adjustment must be clearly identified and explained on the reconciliation document.

26 **Tenth Conclusion of Law:** In the explanation of the difference stated for Part IV of
27 \$10,984.85, "Pending Transfers," Cook failed to clearly identify and explain that difference on
28 the December 2021 reconciliation document for clients' trust account ending in #6360 in
29 violation of ORS 696.301(3) and its implementing rule OAR 863-025-0028(2)(b) (1/1/21
30 Edition).

1 **Eleventh Findings of Fact:**

2 1.30 The December 2021 clients’ trust account reconciliation documentation for
3 account ending in #6360 showed a balance of -\$8,392.46 for Equitable Holdings LLC. The
4 Oregon Secretary of State shows Cook as the member for Equitable Holdings, LLC.

5 1.31 On December 15, 2021, records showed a disbursement entry to Cook described
6 as an owner draw for \$1,267.31.

7 1.32 Clients’ trust account ending in in #6360 contained funds held on behalf of
8 multiple owners.

9 **Eleventh Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
10 reprimand a licensee’s real estate license who has disregarded or violated any provision of
11 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
12 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through ORS
13 696.241(5)(a)(b) (2021 Edition) which states (5) a principal real estate broker or licensed real
14 estate property manager may not commingle any other funds with the trust funds held in a
15 clients’ trust account except for: (a) earned interest on a clients’ trust account as provided in
16 subsections (7) and (8) of this section; and (b) earned compensation as provided in subsection
17 (9) of this section.

18 **Eleventh Conclusion of Law:** By comingling his own funds with the funds of others as
19 identified in clients’ trust account #6360, Cook violated ORS 696.301(3) and its implementing
20 statute ORS 696.241(5)(a)(b) (2021 Edition).

21 **Twelfth Findings of Fact:**

22 1.33 The December 2021 clients’ trust account reconciliation documentation for
23 account ending in #6360 showed the following negative owner ledger balances found in the
24 “Bank Trust Account report.”

- 25 • Ronald and Nicole Runyan -\$270.61
- 26 • Christine Tandy -\$332.57
- 27 • Westlake Holdings LL -\$360.00
- 28 • Duke K Won Marital Trust -\$544.80
- 29 • Lindsay Blue-Smith -\$119.00
- 30 • Amy Downs -\$1,400.30

- 1 • Nichelle Newell -\$1,995.00
- 2 • Equitable Holdings LLC -\$8,392.46

3 **Twelfth Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
4 reprimand a licensee's real estate license who has disregarded or violated any provision of
5 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
6 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
7 863-025-0027(3) (1/1/21 Edition) which states a property manager must not disburse funds
8 from a clients' trust account or security deposits account unless there are sufficient funds, as
9 defined in OAR 863-025-0010, in the ledger account against which the disbursement is made.
10 Per OAR 863-025-0010(21) Sufficient funds means an amount of funds on an owner's ledger
11 or a tenant's ledger that is equal to or greater than the amount of a planned disbursement from
12 a clients' trust account or a security deposits account but which must not include any security
13 deposits in a security deposits trust account that are required to be held pending the
14 termination of a rental agreement. Only funds belonging to the owner or tenant on whose
15 behalf the disbursement is planned may be considered in determining if there are sufficient
16 funds or a sufficient credit balance.

17 **Twelfth Conclusion of Law:** Records show negative owners' ledger balances for the
18 funds of others maintained in the clients' trust account ending in #6360, as identified in the
19 December 2021 reconciliation documentation in violation of ORS 696.301(3) and its
20 implementing rule OAR 863-025-0027(3) (1/1/21 Edition).

21 **Thirteenth Findings of Fact:**

22 1.34 The January 2022 reconciliation of the clients' trust account ending in #6360
23 states a balance in Part I of \$256,557.65, Part II of \$245,691.06, and Part III of \$245,691.06. In
24 the explanation of the difference in Part IV of \$10,866.59, was written "Pending Transfers."
25 These pending transfers were not clearly identified and explained in the reconciliation
26 document.

27 **Thirteenth Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
28 reprimand a licensee's real estate license who has disregarded or violated any provision of
29 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
30 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR

1 863-025-0028(2)(b)(4) (1/1/21 Edition) which states (2) a property manager must reconcile
 2 each clients' trust account within 30 calendar days of the date of the bank statement pursuant
 3 to the requirements contained in this section. (b) the balances of each component in section
 4 (2)(a) of this rule must be equal to and reconciled with each other. If any adjustment is
 5 needed, the adjustment must be clearly identified and explained on the reconciliation
 6 document. (4) a property manager must take corrective action to resolve all adjustments made
 7 in a reconciliation prior to the next reconciliation or document the good faith efforts the property
 8 manager has taken to resolve the adjustment.

9 **Thirteenth Conclusion of Law:** In the explanation of the difference stated for Part IV
 10 of \$10,866.59, "Pending Transfers," Cook failed to clearly identify and explain that difference
 11 on the January 2022 reconciliation document for clients' trust account ending in #6360 and he
 12 failed to take corrective action to resolve all adjustments made in the reconciliation prior, in
 13 violation of ORS 696.301(3) and its implementing rule OAR 863-025-0028(2)(b)(4) (1/1/21
 14 Edition).

15 **Fourteenth Findings of Fact:**

16 1.35 The January 2022 clients' trust account reconciliation documentation for account
 17 ending in #6360 showed the following negative owner ledger balances found in the "Bank
 18 Trust Account report."

- 19 • Christine Tandy -\$332.57
- 20 • Westlake Holdings LLC -\$360.00
- 21 • Duke K Won Marital Trust -\$544.80
- 22 • Lindsay Blue-Smith -\$119.00
- 23 • Nichelle Newell -\$1,995.00
- 24 • Equitable Holdings LLC -\$31,582.46

25 **Fourteenth Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
 26 reprimand a licensee's real estate license who has disregarded or violated any provision of
 27 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
 28 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
 29 863-025-0027(3) (1/1/21 Edition) which states a property manager must not disburse funds
 30 from a clients' trust account or security deposits account unless there are sufficient funds, as

1 defined in OAR 863-025-0010, in the ledger account against which the disbursement is made.
2 Per OAR 863-025-0010(21) Sufficient funds means an amount of funds on an owner's ledger
3 or a tenant's ledger that is equal to or greater than the amount of a planned disbursement from
4 a clients' trust account or a security deposits account but which must not include any security
5 deposits in a security deposits trust account that are required to be held pending the
6 termination of a rental agreement. Only funds belonging to the owner or tenant on whose
7 behalf the disbursement is planned may be considered in determining if there are sufficient
8 funds or a sufficient credit balance.

9 **Fourteenth Conclusion of Law:** Records received by Cook show negative owner
10 ledger balances in the clients' trust account ending in #6360, as exhibited in the January 2022
11 reconciliation documentation, in violation of ORS 696.301(3) and its implementing rule OAR
12 863-025-0027(3) (1/1/21 Edition).

13 **Fifteenth Findings of Fact:**

14 1.36 The December 2021 reconciliation of the security deposit account ending #6337
15 states a balance in Part I of \$363,163.94, Part II of \$348,122.69, and Part III of \$348,122.69.
16 Written in the explanation of the difference in Part IV of \$15,041.25, was "Pending Transfers."
17 These pending transfers were not clearly identified and explained in the reconciliation
18 document.

19 **Fifteenth Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
20 reprimand a licensee's real estate license who has disregarded or violated any provision of
21 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
22 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
23 863-025-0028(3)(b) (1/1/21 Edition) which states (3) a property manager must reconcile each
24 security deposits account within 30 calendar days of the bank statement pursuant to the
25 requirements contained in this section. (b) the balances of each component in section (3)(a) of
26 this rule must be equal to and reconciled with each other. If any adjustment is needed, the
27 adjustment must be clearly identified and explained on the reconciliation document.

28 **Fifteenth Conclusion of Law:** In the explanation of the difference stated for Part IV of
29 \$15,041.25, "Pending Transfers," Cook failed to clearly identify and explain that difference on
30 the December 2021 reconciliation document for security deposits account ending in #6337 in

1 violation of ORS 696.301(3) and its implementing rule OAR 863-025-0028(3)(b) (1/1/21
2 Edition).

3 **Sixteenth Findings of Fact:**

4 1.37 The January 2022 reconciliation for security deposits account ending in #6337
5 states a balance in Part I of \$345,583.53, Part II of \$356,600.38, and Part III of \$356,600.38. In
6 the explanation of the difference in Part IV of \$11,016.85, was written, "Pending Transfers."
7 These pending transfers were not clearly identified and explained in the reconciliation
8 document.

9 **Sixteenth Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
10 reprimand a licensee's real estate license who has disregarded or violated any provision of
11 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
12 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
13 863-025-0028(3)(b) (1/1/21 Edition) which states (3) a property manager must reconcile each
14 security deposits account within 30 calendar days of the bank statement pursuant to the
15 requirements contained in this section. (b) the balances of each component in section (3)(a) of
16 this rule must be equal to and reconciled with each other. If any adjustment is needed, the
17 adjustment must be clearly identified and explained on the reconciliation document.

18 **Sixteenth Conclusion of Law:** In the explanation of the difference stated for Part IV of
19 \$11,016.85, "Pending Transfers," Cook failed to clearly identify and explain that difference on
20 the January 2022 reconciliation document for security deposits account ending in #6337 in
21 violation of ORS 696.301(3) and its implanting rule OAR 863-025-0028(3)(b) (1/1/21 Edition).

22 **Seventeenth Finding of Fact:**

23 1.38 The above violations indicate Cook failed to control and supervise the
24 professional real estate activity at a main or branch office registered to Cook.

25 **Seventeenth Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
26 reprimand a licensee's real estate license who has disregarded or violated any provision of
27 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
28 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
29 863-015-0140(3) (1/1/2021 Edition) which states a principal broker must supervise and control
30 the professional real estate activity at any main or branch office registered by the principal

1 broker.

2 **Seventeenth Conclusion of Law:** The above violations indicate Cook failed to control
3 and supervise the professional activity at any main or branch office registered to the principal
4 broker in violation of ORS 696.301(3) and its implementing rule OAR 863-015-0140(3)
5 (1/1/2021 Edition).

6 **Eighteenth Findings of Fact:**

7 1.39 All of the above violations demonstrate incompetence in performing acts for
8 which Cook is required to hold a license.

9 **Eighteenth Statement of Law:** ORS 696.301(12) authorizes the Commissioner to
10 reprimand a licensee's real estate license who has demonstrated incompetence or
11 untrustworthiness in performing any act for which the real estate licensee is required to hold a
12 license.

13 **Eighteenth Conclusion of Law:** The above violations demonstrate incompetence in
14 performing acts for which Cook is required to hold a license in violation of ORS 696.301(12).
15

16 **Nineteenth Conclusion of Law:** The forgoing violations are grounds for discipline
17 pursuant to ORS 696.301(3) and (12). Based on these violations a reprimand is appropriate for
18 violations of ORS 696.301(3) and (12). As previously noted, the Agency has set forth the
19 grounds of discipline as ORS 696.301(3) and (12).
20

21 2.

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

30 3.

The Agency reserves the right to investigate and pursue additional complaints that may

1 be received in the future regarding this licensee.

2 4.

3 STIPULATION AND WAIVER

4 I, Nicholas Matthew Cook, have read and reviewed this Stipulated Final Order and its
5 Findings of Fact, Statements of Law and Conclusions of Law. I understand that the Findings
6 of Fact, Conclusions of Law and this Stipulation and Waiver of Hearing rights embody the full
7 and complete agreement and stipulation between the Agency and me. I further understand
8 that if I do not agree with this stipulation I have the right to request a Hearing on this matter
9 and to be represented by legal counsel at such a Hearing. I also understand that any Hearing
10 would be conducted in accordance with the procedures set forth in ORS Chapter 183 and in
11 accordance with the Rules of Practice and Procedure adopted by the Attorney General of the
12 State of Oregon. By signing this Stipulated Final Order I freely and voluntarily waive my rights
13 to a Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this
14 matter.

15 I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and
16 understand that the Order which follows hereafter, which I have also read and understand,
17 may be completed and signed by the Real Estate Commissioner or may be rejected by the
18 Real Estate Commissioner. I further understand that, in accordance with the provisions of
19 ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News
20 Journal.

21 In addition to all of the above, I agree that once the Commissioner executes this
22 Stipulated Final Order, I will accept service of the Stipulated Final Order by email, and hereby
23 waive the right to challenge the validity of service.

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ORDER

IT IS HEREBY ORDERED that Nicholas Matthew Cook’s principal broker license be,
and hereby is reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:
Nicholas Cook
D9CCD291B54E43E...

DocuSigned by:
Steven Strode
E2C2D0097AD8471...



NICHOLAS MATTHEW COOK

STEVEN STRODE

Real Estate Commissioner

Date 11/17/2022 | 11:51 AM PST

Date 11/18/2022 | 8:58 AM PST

Date of Service: 11/18/2022

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
LINDA JOSEPHINE SANCHEZ) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Linda Josephine Sanchez (Sanchez) do hereby agree and stipulate to all of the following:

FINDINGS OF FACT, STATEMENTS OF LAW
AND
CONCLUSIONS OF LAW

1.

In establishing the violations set forth herein, the Agency may rely on one or more of the definitions contained in ORS 696.010.

First Findings of Fact:

1.1 At all times mentioned herein, Sanchez was licensed as principal broker doing business under the registered business name of Realty Brokers.

1.2 Sanchez was selected for a trust account reconciliation review. On July 14, 2022, the Agency emailed Sanchez and requested records regarding security deposit account ending in #2237, for the month of May 2022. After a review of the submitted documents, the Agency opened an investigation.

1.3 Sanchez reported that security deposits account ending in #2237 was used to pay bills relating to garbage, landscaping and repairs. She transferred funds into the account and then paid the bills from the security deposits account. The bills were not related to the execution of tenant security deposit accounting, repairs or expenses on behalf of a tenant.

1.4 Sanchez reported when she opened the security deposits account the bank they told her to only use the account to pay the bills.

1 **First Statement of Law:** ORS 696.301(3) authorizes the Commissioner to discipline a
2 licensee's real estate license who has disregarded or violated any provision of ORS 659A.421,
3 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the
4 Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-025-
5 0025(8)(a) (1/1/2018, 1/1/2019, 1/1/2020 and 1/1/2021 Editions), which states in part, only the
6 following funds may be held in a security deposits account: (a) Security deposits as defined in
7 OAR 863-0025-0010.

8 **First Conclusion of Law:** Sanchez transferred funds (other than tenant security
9 deposits) into the security deposit account ending #3327 and then paid monthly bills including
10 garbage, landscaping, and repairs out of the security deposit account in violation of ORS
11 696.301(3) and its implementing rule OAR 863-025-0025(8)(a) (1/1/2018, 1/1/2019, 1/1/2020
12 and 1/1/2021 Editions).

13 **Second, Third, and Third Part A Findings of Fact:**

14 1.5 After the Agency requested the most recent reconciliation, Sanchez reported the
15 last reconciliation completed was in August 2015 for an audit with the Agency. This was the
16 last time she had reconciled a clients' trust account.

17 1.6 Agency records show three clients' trust accounts registered for Realty Brokers
18 ending in #3307, #2293, and #5650 and security deposits account ending in #3327.

19 **Second Statement of Law:** ORS 696.301(3) authorizes the Commissioner to discipline
20 a licensee's real estate license who has disregarded or violated any provision of ORS
21 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any
22 rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-
23 025-0025(20)(21) (11/15/16 Edition) and OAR 863-025-0028(2)(3) (1/1/2018, 1/1/2019,
24 1/1/2020 and 1/1/2021 Editions) which require a property manager to reconcile each clients'
25 trust account and security deposits account within 30 calendar days of the date of the bank
26 statement. ORS 696.301(12) authorizes the Commissioner to discipline a licensee's real
27 estate license who has demonstrated incompetence or untrustworthiness in performing any act
28 for which the real estate licensee is required to hold a license. ORS 696.301(15) authorizes the
29 Commissioner to discipline a licensee's real estate license who has engaged in any conduct
30 that is below the standard of care for the practice of professional real estate activity in Oregon

1 as established by the community of individuals engaged in the practice of professional real
2 estate activity in Oregon.

3 **Second Conclusion of Law:** Sanchez failed to perform monthly clients' trust account
4 and security deposit account reconciliations since 2015 in violation of ORS 696.301(12)(15)
5 (2015-2021 Editions), and ORS 696.301(3) and its implementing rules OAR 863-025-
6 0025(20)(21) (11/15/2016 Edition), and OAR 863-025-0028(2)(3) (1/1/2018, 1/1/2019,
7 1/1/2020 and 1/1/2021 Editions).

8 **Third Statement of Law** ORS 696.301(3) authorizes the Commissioner to discipline a
9 licensee's real estate license who has disregarded or violated any provision of ORS 659A.421,
10 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the
11 Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-025-0035
12 (1)(b)(j) (11/15/2016, 1/1/2018, 1/1/2019, 1/1/2020 and 1/1/2021 Editions), which state, in part
13 (1) the property manager's records of the management of rental real estate are "complete and
14 adequate" as required under ORS 696.280 if the records contain, at least, the following: (b)
15 clients' trust account and security deposit account records; and (j) records of the reconciliation
16 of each clients' trust account and security deposits account, including the reconciliation
17 document.

18 **Third Conclusion of Law:** By failing to perform the monthly clients' trust account
19 reconciliations as required, Sanchez's records of property management are not complete and
20 adequate in violation of ORS 696.301(3) and its implementing rule OAR 863-025-0035(1)(b)(j)
21 (11/15/2016, 1/1/2018, 1/1/2019, 1/1/2020 and 1/1/2021 Editions).

22 **Third Part A Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
23 discipline a licensee's real estate license who has disregarded or violated any provision of
24 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
25 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
26 863-025-0035(4) (11/15/16, 1/1/2018, 1/1/2019, 1/1/2020, and 1/1/2021 Editions), which
27 states, a property manager must maintain all records required under section (1) of this rule for
28 a period of six years following the date on which such agreement or document is superseded,
29 terminated, has expired or otherwise ceased to be used in the management of rental real
30 estate.

1 **Third Part A Conclusion of Law:** By failing to complete the monthly reconciliations as
2 required, Sanchez's property management records do not meet the records retention
3 requirement in violation of ORS 696.301(3) and its implementing rule OAR 863-025-0035(4)
4 (11/15/16, 1/1/2018, 1/1/2019, 1/1/2020, and 1/1/2021 Editions).

5 **Fourth Findings of Fact**

6 1.7 At the time of the investigation, Sanchez was managing five properties for three
7 owners. She had three employees, Brad Sanchez (licensed Oregon broker), Debra Sanchez,
8 and Derrell Newman, who all act as independent contractors.

9 1.8 A review of the Independent Contractor Agreement with Brad Sanchez identifies
10 Sanchez as the principal real estate broker who has full supervisory control and responsibility
11 for the professional real estate activities of non-principal real estate brokers associated with
12 Realty Brokers.

13 1.9 Both Sanchez and Brad Sanchez were signers on the security deposits account
14 and they both manage the properties. There was no written policies or written delegation of
15 authority for broker Brad Sanchez to perform property management duties under Sanchez's
16 supervision.

17 **Fourth Statement of Law** ORS 696.301(3) authorizes the Commissioner to discipline a
18 licensee's real estate license who has disregarded or violated any provision of ORS 659A.421,
19 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the
20 Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-025-
21 0015(1)(3)(b) (11/15/2016, 1/1/2018, 1/1/2019, 1/1/2020, and 1/1/2021 Editions) which states
22 (1) each property manager must develop, maintain and follow written policies for persons and
23 activities under this rule. (3) Policies must specify the duties, responsibilities, supervision and
24 authority, including any authority to handle funds in a clients' trust account or security deposits
25 account, for the following persons: (b) an active real estate licensee engaged in the
26 management of rental real estate under the supervision and control of a principal broker,
27 including any authority to sign property management agreements under OAR 863-025-0020(6)
28 and tenant rental and lease agreements under 863-025-0045(2).

29 **Fourth Conclusion of Law:** As the supervising principal broker, Sanchez failed to
30 develop, maintain and follow written policies or execute a delegation of authority for broker
Brad Sanchez to perform property management duties under her supervision, a violation of

1 ORS 696.301(3) and its implementing rule of OAR 863-025-0015(1)(3)(b) (11/15/2016,
2 1/1/2018, 1/1/2019, 1/1/2020, and 1/1/2021 Editions).

3 **Fifth Findings of Fact:**

4 1.10 In response to the clients' trust account review, Sanchez submitted property
5 management agreements, a reconciliation, bank statement, account summary, monthly
6 property ledger and the notice of clients' trust account. Sanchez did not submit a record of
7 receipts and disbursements or check register with her records.

8 1.11 The reconciliation provided for May 2022 for security deposit account ending in
9 #2237 did not balance and showed the following totals: Part I \$27,948.89, Part II \$27,948.89,
10 and for Part III \$15,150.00.

11 1.12 On August 10, 2022, the Agency sent an email requesting a missing record of
12 receipts and disbursements for the month of May 2022. In response to this email Sanchez
13 provided a check register report dated May 1-19, 2022. The check register beginning balance
14 on May 1, 2022, matches the bank statement beginning balance of \$27,564.89. The check
15 register ending balance on May 19, 2022, showed \$27,564.89, which does not match the Part
16 II total of \$27,948.89 (as of May 31, 2022), showing on the reconciliation document. The
17 check register is lacking the following detail for each receipt of funds: the date funds were
18 deposited.

19 1.13 Regarding the incomplete check register, outstanding checks and account
20 reconciliation Sanchez reported her accountant was working on the reconciliation and it would
21 take more time to identify the discrepancy of funds.

22 **Fifth Statement of Law** ORS 696.301(3) authorizes the Commissioner to discipline a
23 licensee's real estate license who has disregarded or violated any provision of ORS 659A.421,
24 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the
25 Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-025-
26 0040(1)(2)(a)(D) (1/1/2021 Edition) which states: (1) except as provided in section (4) of this
27 rule, a property manager must prepare and maintain a chronological record of receipts and
28 disbursements or a check register for each clients' trust account and each security deposits
29 account in which the manager must record each receipt of funds and each disbursement of
30 funds. (2) a record of receipts and disbursements or a check register must contain at least the
following information: (a) for each receipt of funds: (D) the date the funds were deposited.

1 **Fifth Conclusion of Law:** Sanchez failed to maintain a check register as required in
2 violation of ORS 696.301(3) and its implementing rule OAR 863-025-0040(1)(2)(a)(D)
3 (1/1/2021 Edition).

4 **Sixth Findings of Fact:**

5 1.14 The tenant ledger for 5325 NE 74th submitted by Sanchez only showed entries
6 for May 2, 2022, which consisted of one deposit and 3 withdrawals.

7 1.15 The tenant ledger submitted by Sanchez does not include the check number,
8 cash receipt number or a unique series of letters and/or numbers that establishes an audit trail
9 for each deposit of funds,

10 **Six Statement of Law:** ORS 696.301(3) authorizes the Commissioner to discipline a
11 licensee's real estate license who has disregarded or violated any provision of ORS 659A.421,
12 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the
13 Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR 863-025-
14 0050(4)(d)(C) (1/1/2021 Edition), which states in part (4) a tenant's ledger must contain at least
15 the following information: (d) for each deposit of funds: (C) the check number, cash receipt
16 number or a unique series of letters and/or numbers that established an audit trail to the
17 receipt of funds.

18 **Sixth Conclusion of Law:** Sanchez failed to maintain the tenant ledgers as required in
19 violation of ORS 696.301(3) and its implementing rule OAR 863-025-0050(4)(d)(C) (1/1/2021
20 Edition).

21 **Seventh Findings of Fact:**

22 1.16 On September 14, 2022, Compliance Coordinator Hani Ghamrawi (Ghamrawi)
23 emailed Sanchez requesting the following records: delegation of authority for all employees,
24 June and July 2022 reconciliations, and the complete check register ending balance for May
25 2022. The records were to be provided by September 20, 2022, by 5:00pm.

26 1.17 Sanchez responded on September 15, 2022 and wrote that her accountant was
27 unable to complete the reconciliations by the due date. Ghamrawi responded requesting the
28 most recent reconciliation that Sanchez had available.

29 1.18 As of September 28, 2022, Sanchez had not submitted the June and July 2022
30 clients' trust account reconciliations as requested by the September 14, 2022, email.

1 1.19 On October 10, 2022, Ghamrawi received an email from Sanchez stating her
2 accountant was almost finished with the reconciliation and would submit it upon completion.

3 1.20 During the investigation Sanchez stated she had ended all property management
4 agreements, except for three accounts which she expected to close in the near future. Both
5 Sanchez and Brad Sanchez want to focus on selling real estate.

6 **Seventh Statement of Law:** ORS 696.301(3) authorizes the Commissioner to
7 discipline a licensee's real estate license who has disregarded or violated any provision of
8 ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or
9 any rule of the Real Estate Agency. Implementation of ORS 696.301(3) is made through OAR
10 863-025-0035(2)(a)(c) (1/1/2021 Edition) which states in part (2) a property manager must
11 produce records required under section (1) of this rule for inspection by the Agency as follows:
12 (a) when the agency makes a request for production of property management records, the
13 property manager must provide such records within no less than five banking days; (c) failure
14 to produce such records within the timelines stated in subsection (a) or (b) of this section is a
15 violation of ORS 696.301.

16 **Seventh Conclusion of Law:** Sanchez failed to submit her property management
17 records within five banking days as requested by the Agency in an email dated September 14,
18 2022 a violation of ORS 696.301(3) and its implementing rule OAR 863-025-0035(2)(a)(c)
19 (1/1/2021 Edition).

20 **Eighth Conclusion of Law:** The forgoing violations are grounds for discipline pursuant
21 to ORS 696.301. Based on these violations, issuance of a limited principal broker license is
22 appropriate for violations of ORS 696.301(3),(12) and (15). As previously noted, the Agency
23 has set forth the grounds for discipline as ORS 696.301(3), (12) and (15). The forgoing
24 violations are also grounds for the issuance of a limited license. Here the Commissioner has
25 determined that issuance of a limited license is in the public interest as to the property
26 management portions of Sanchez's real estate activities. This determination related to
27 property management is based upon the need for adequate consumer protection.

28 2.

29 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a real
30 estate license, whether by operation of law, order of the Real Estate Commissioner or decision
of a court of law, or the inactive status of the license, or voluntary surrender of the license by

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

6 3.

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

9 4.

10 STIPULATION AND WAIVER

11 I, Linda Josephine Sanchez, have read and reviewed this Stipulated Final Order and its
12 Findings of Fact, Statements of Law and Conclusions of Law. I understand that the Findings
13 of Fact, Conclusions of Law and this Stipulation and Waiver of Hearing rights embody the full
14 and complete agreement and stipulation between the Agency and me. I further understand
15 that if I do not agree with this stipulation I have the right to request a Hearing on this matter
16 and to be represented by legal counsel at such a Hearing. I also understand that any Hearing
17 would be conducted in accordance with the procedures set forth in ORS Chapter 183 and in
18 accordance with the Rules of Practice and Procedure adopted by the Attorney General of the
19 State of Oregon. By signing this Stipulated Final Order I freely and voluntarily waive my rights
20 to a Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this
21 matter.

22 I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and
23 understand that the Order which follows hereafter, which I have also read and understand,
24 may be completed and signed by the Real Estate Commissioner or may be rejected by the
25 Real Estate Commissioner. I further understand that, in accordance with the provisions of
26 ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News
27 Journal.

28 In addition to all of the above, I agree that once the Commissioner executes this
29 Stipulated Final Order, I will accept service of the Stipulated Final Order by email, and hereby
30 waive the right to challenge the validity of service.

ORDER

IT IS HEREBY ORDERED that Sanchez be issued a principal broker license with limitations as set forth below:

- (a) The limited license period shall be in effect for a minimum of three (3) years starting from the date the Commissioner signs the Stipulated Order.
- (b) Sanchez shall not conduct or engage in or supervise any employee engaged in professional real estate activity pertaining to property management activities as defined in ORS 696.010(14).
- (c) At the end of three years, Sanchez may request an unrestricted license, in

writing, provided that she has completed the 27-hour Property Manager Advanced Practices Course (detailed in OAR 863-022-0022, 1-1-21 Edition) and submits a certificate to the Agency showing completion of the course. The completion date noted on the certificate must be within the last two years from when Sanchez submits the certificate to the Agency to comply with this requirement. Once Sanchez requests an unrestricted license and has submitted the required course certificate to the Agency, the Agency will conduct an inquiry on Sanchez including but not limited to a check through the Law Enforcement Data System. If the Agency finds that there is no reason to continue the limited license, an unrestricted license will be issued.

IT IS FURTHER ORDERED that, should Sanchez violate any term or condition of this Order, it may be a basis on which to revoke Sanchez's license in accordance with ORS 696.301(13).

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:
LINDA JOSEPHINE SANCHEZ
5F45CE8CE145414...
LINDA JOSEPHINE SANCHEZ

DocuSigned by:
Steven Strode
E2C2D0097AD8471...
Steven Strode



Date 12/7/2022 | 2:07 PM PST

Date 12/8/2022 | 9:31 AM PST

Date of Service: 12/08/2022

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REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
CHRISTINE TURK

STIPULATED FINAL ORDER

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

PROCEDURAL HISTORY

On January 26, 2022, the Agency issued a *Notice of Intent to Revoke License No. PM 201218968*. On February 3, 2022, through her attorney Andrea Coit, Turk requested a hearing. On April 7, 2022, the case was referred to the Office of Administrative Hearings. The hearing was scheduled to occur on January 10, 2023, through January 11, 2023. Coit, on behalf of her client, Turk, entered into settlement discussions with the Agency and this Stipulated Final Order is the result of those discussions.

FINDINGS OF FACT CONCLUSIONS OF LAW

1.

1.1 Turk holds a property manager license, which is associated with 5 Star Property Management, LLC (5 Star Management). Turk's license was previously associated with Granite Properties LLC (Granite). When Turk was associated with Granite, she was the sole property manager for Granite. As the property manager Turk was responsible for reconciliation of Granite's Client Trust Account ending in #6902

1.2 On September 25, 2020, Turk resigned from Granite.

1.3 After Turk left Granite it was discovered that she had not reconciled the client trust account ending in #6902 since September 2019.

By failing to properly reconcile clients' trust account ending in #6902 Turk violated ORS 696.301(3) and its implementing rule OAR 863-025-0028(2) (01/01/18, 1/1/2019 and 01/01/20 Editions) and implementing statute ORS 696.890(4)(c)(e)(f) (2019 Edition).

1
2 1.4 After Turk resigned, Granite discovered multiple unreconciled adjustments in
3 clients' trust account ending in #6902.

4 By failing to resolve all unreconciled adjustments in clients' trust account ending in
5 #6902 Turk violated ORS 696.301(3) and its implementing rule OAR 863-025-0028(4)
6 (01/01/18, 1/1/2019, and 01/01/20 Editions) and implementing statute ORS
7 696.890(4)(c)(d)(e)(f) (2019 Edition).

8 By failing to create and maintain the clients' trust account records, financial information
9 and related documents (ledgers, reports, and records) in a format which readily enables
10 tracking and reconciliation, Turk violated ORS 696.301(3) and its implementing rule OAR 863-
11 025-0035(3)(b) (01/01/18, 1/1/19 and 01/01/20 Editions).

12 1.5 Turk set up the health insurance premium payments from the clients' trust
13 account. The health insurance premium were for Turk and Bulski.

14 By paying or allowing to be paid non-owner and non-tenant related expenses from
15 clients' trust account ending in #6902, Turk violated ORS 696.301(12),(14),(15) and ORS
16 696.301(3) and its implementing statute ORS 696.890(4)(a)(c)(e)(f) (2019 Edition).

17 The forgoing violations, if proven, would be grounds for discipline pursuant the statutes
18 and rules cited above. For purposes of resolution of the complaint pending against her only,
19 Turk agrees to the imposition of a suspension of Turk's property manager license under ORS
20 696.396(2)(c)(B). According to ORS 696.396(2)(c)(B), the Agency may suspend a real estate
21 license if the material facts establish a violation of a ground for discipline under ORS 696.301
22 that: (B) exhibits incompetence in the performance of professional real estate activity. As
23 previously noted, the Agency has set forth the grounds of discipline as ORS 696.301(3).

24 2.

25 According to ORS 696.775, the lapsing, expiration, revocation or suspension of a real
26 estate license, whether by operation of law, order of the Real Estate Commissioner or decision
27 of a court of law, or the inactive status of the license, or voluntary surrender of the license by
28 the real estate licensee does not deprive the commissioner of jurisdiction to: (1) proceed with
29 an investigation of the licensee; (2) conduct disciplinary proceedings relating to the licensee;
30 (3) Take action against a licensee, including assessment of a civil penalty against the licensee

1 for a violation of ORS 696.020(2); or (4) revise or render null and void an order suspending or
2 revoking a license.

3 3.

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

6 4.

7 STIPULATION AND WAIVER

8 Licensee has read and reviewed this Stipulated Final Order and its Findings of Fact,
9 Statements of Law and Conclusions of Law. Licensee understands that the Findings of Fact,
10 Conclusions of Law and this Stipulation and Waiver of Hearing rights embody the full and
11 complete agreement and stipulation between the Agency and Licensee. Licensee also
12 understand that she is waiving her right to a contested case hearing conducted in accordance
13 with the procedures set forth in ORS Chapter 183 and in accordance with the Rules of Practice
14 and Procedure adopted by the Attorney General of the State of Oregon. By signing this
15 Stipulated Final Order Licensee freely and voluntarily waives her rights to a Hearing, to
16 representation by legal counsel at such a Hearing, and to judicial review of this matter.

17 **Licensee denies the findings of fact and conclusions of law above** but understands
18 that the Agency is making those findings of fact and conclusions of law as part of this
19 Stipulated Final Order. Licensee further understands that, in accordance with the provisions of
20 ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News
21 Journal. In addition to all of the above, Licensee agrees that once the Commissioner executes
22 this Stipulated Final Order, Licensee will accept service of the Stipulated Final Order by email,
23 and hereby waives the right to challenge the validity of service.

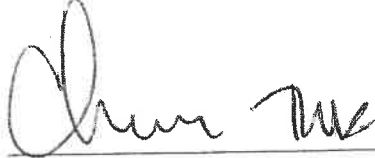
24 ORDER

25 IT IS HEREBY ORDERED that Christine Turk's property manager license be, and
26 hereby is suspended six months. The suspension will be effective immediately once the order
27 is signed by the Commissioner. As a condition for reinstatement, Turk must complete the 27-
28 hour Property Manager Advanced Practices Course and submit proof of completion to the
29 Agency (see detail below). Turk must comply with all other applicable license reinstatement
30 requirements.

1 IT IS FURTHER ORDERED that Turk complete the 27-hour Property Manager
 2 Advanced Practices Course, (detailed in OAR 863-022-0022, 1-1-21 Edition) within six months
 3 from when the Commissioner signs this order. Previously completed 27-hour Property
 4 Manager Advanced Practices Courses do not qualify. Turk must submit a certificate to the
 5 Agency showing completion of the 27-hour Property Manager Advanced Practices Course.
 6 This certificate must be submitted to the Agency no later than 10 days after the education has
 7 been completed.

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IT IS SO STIPULATED:



CHRISTINE TURK

Date 1/3/2023

IT IS SO ORDERED:



DocuSigned by:


E2C2D0097AD8471
 STEVEN STRODE

Real Estate Commissioner

Date 01/04/2023

Date of Service: 01/04/2023

**REAL ESTATE BOARD
REGULATION DIVISION REPORT
February 6, 2023**

Regulation Division Manager: Elli Kataura

Compliance Specialist 3s (Compliance Coordinator): Meghan Lewis, Hani Ghamrawi

Financial Investigators (Investigator-Auditor): Lindsey Nunes, Aaron Grimes, Cidia Nañez, John Moore, Frank Leonard, Dylan Ray

Compliance Specialist 2: Position vacant

Division Overview

The Agency receives complaints and determines if an investigation is appropriate. 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 a violation of Agency statutes or administrative rules. When a case finds sufficient cause to sanction a license, the case is elevated to the Commissioner for review. When the Commissioner supports a sanction, the Compliance Coordinators conduct a settlement conference to resolve cases without a contested case hearing. If the respondent requests a hearing, the Investigator works with the Assistant Attorney General in preparing for and presenting the case at hearing.

Personnel

We currently have a vacancy; Carolyn Kalb accepted a promotional opportunity with another state agency. We recently hired Dylan Ray, a new Financial Investigator that started on 1/17/2023.

Workload and Activity Indicators

<u>Average # in this status at the time</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Current 1/4/23</u>
Complaint	18	32	20	21	16
Investigation***	35	59	56	24	24
(# of Investigators)	7	7	7	6	5
Admin Review	20	87	4	13	4
Settlement Process	46	50	10	6	2

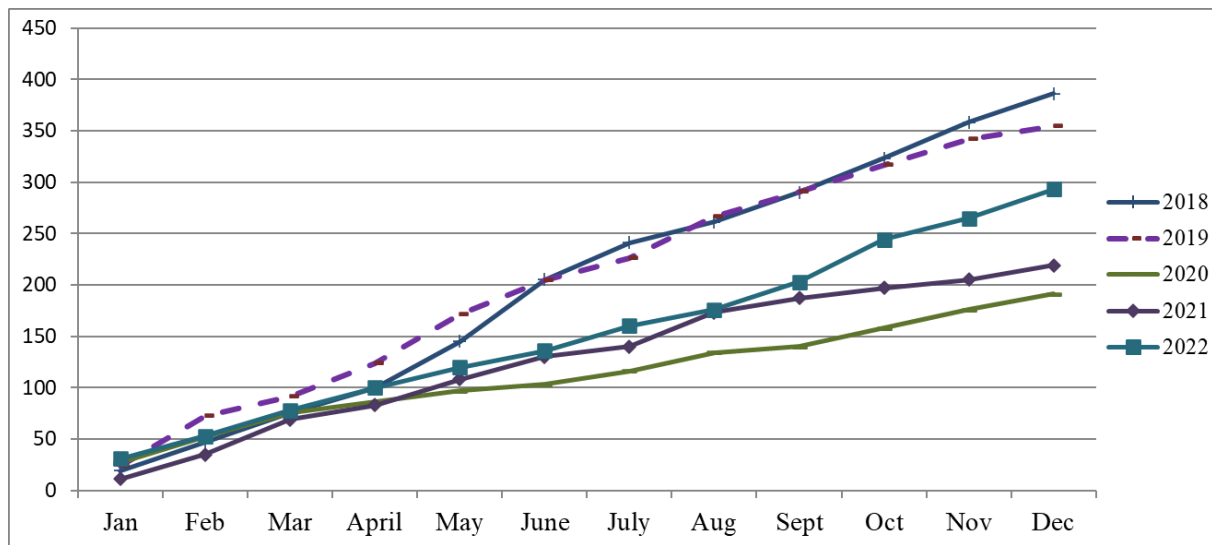
**Report to the Real Estate Board
Land Development Division
February 6th, 2023**

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



The Land Development division processed 296 filings in 2022, which is up from 219 filings in 2021. As the graph reflects, the last several months have seen filing volume increase significantly. This is part due to HB 2534 (2021 Regular Session), which instituted a requirement that condominium associations revise their governing documents if there is any discriminatory language. We began receiving amendments of this type in September and have answered hundreds of inquiries from associations on this topic.

Rulemaking:

No rulemaking in process at this time.

Legislative Update: The 2023 session has begun, and one bill of note is HB 3092, which creates a wholesaler registration. A copy of the bill, as introduced, is attached as an exhibit to this report. The agency has not taken a position on the bill.

House Bill 3092

Sponsored by Representative BREESE-IVERSON

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates residential property wholesaler registration. Prohibits residential property wholesaling without registration. Provides exceptions.

A BILL FOR AN ACT

1 Relating to residential property wholesaling; creating new provisions; and amending ORS 696.010.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1. Definitions. As used in sections 1 to 5 of this 2023 Act:**

4 (1) **"Market"** means to advertise, or contract with another person or entity to advertise,
5 the purchase of property either publicly or privately.

6 (2) **"Residential property wholesaler"** means any individual who engages in residential
7 property wholesaling and is registered as a residential property wholesaler under section 3
8 of this 2023 Act.

9 (3) **"Residential property wholesaling"** means to market for sale the purchase of resi-
10 dential property for which the residential property wholesaler has only equitable interest or
11 an option to purchase.

12 **SECTION 2. Registration requirement; exemptions. (1) Except as provided in this section,**
13 **an individual may not engage in residential property wholesaling unless that individual is**
14 **registered as a residential property wholesaler under section 3 of this 2023 Act.**

15 (2) **This section applies to every individual who conducts residential property wholesaling**
16 **related to property located in this state.**

17 (3) **One act or transaction of residential property wholesaling is sufficient to constitute**
18 **engaging in residential property wholesaling within the meaning of this section.**

19 (4) **An individual licensed under ORS 696.022 may engage in residential property whole-**
20 **saling only if that individual:**

21 (a) **Is registered as a residential property wholesaler under section 3 of this 2023 Act; and**

22 (b) **Provides proper written disclosure to any potential buyers or sellers of all residential**
23 **property wholesale transactions.**

24 (5) **For purposes of this section, the Real Estate Agency shall establish the standards for**
25 **proper written disclosure requirements for individuals licensed under ORS 696.022 who en-**
26 **gage in residential property wholesaling. The disclosure must at least state that the individ-**
27 **ual is a real estate licensee and a registered residential property wholesaler.**

28 (6) **The requirement to register as a residential property wholesaler does not apply to an**
29 **individual:**

30 (a) **Whose equitable interest in the residential property results from a land sale contract**
31

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 that was entered into for purposes other than residential property wholesaling;

2 (b) Who is licensed under ORS 696.022 and is engaging in professional real estate activity;

3 (c) Who is an attorney at law rendering services in the performance of duties as an at-
4 torney at law; or

5 (d) Who acts in the individual's official capacity as a receiver, a conservator, a trustee
6 in bankruptcy, a personal representative or a trustee, or a regular salaried employee of the
7 trustee, acting under a trust agreement, deed of trust or will.

8 **SECTION 3. Residential property wholesaler registration; requirements; rules.** (1) The
9 Real Estate Agency may issue a residential property wholesaler registration only to an indi-
10 vidual.

11 (2) In accordance with any applicable provisions of ORS chapter 183, the Real Estate
12 Commissioner shall establish by rule a system to register residential property wholesalers.
13 Such a system shall include but need not be limited to prescribing:

14 (a) The form and content of and the times and procedures for submitting an application
15 for the issuance or renewal of registration.

16 (b) The term of the registration and the fee for the original issue and renewal in an
17 amount that does not exceed the cost of administering the registration system.

18 (c) Those actions or circumstances that constitute failure to achieve or maintain regis-
19 tration or competency or that otherwise constitute a danger to the public interest and for
20 which the commissioner may refuse to issue or renew or may suspend or revoke a registra-
21 tion or may impose a penalty.

22 (3) For an applicant to qualify for registration, the commissioner must receive:

23 (a) Certification that the applicant has a high school diploma or a certificate for passing
24 an approved high school equivalency test such as the General Educational Development
25 (GED) test or the international equivalent, or other equivalent education acceptable to the
26 commissioner; and

27 (b) Certification that the applicant is at least 18 years of age.

28 (4) Registration for residential property wholesalers shall be granted only if the applicant
29 is trustworthy and competent to conduct residential property wholesaling in such manner
30 as to safeguard the interests of the public and only after satisfactory proof has been pre-
31 sented to the commissioner. As used in this subsection, "satisfactory proof" includes but is
32 not limited to the fingerprints and a criminal records check of the applicant. For the pur-
33 pose of requesting a state or nationwide criminal records check under ORS 181A.195, the
34 commissioner may require the fingerprints of the applicant.

35 **SECTION 4. Disclosure requirements.** (1) Residential property wholesalers shall provide
36 a residential property wholesaler written disclosure to any potential buyers and sellers before
37 entering into an initial written contract for a residential property wholesale transaction.

38 (2) For purposes of this section, the Real Estate Agency shall establish the standards for
39 proper residential property wholesaler written disclosure requirements under this section.
40 The disclosure must at least state that the residential property wholesaler:

41 (a) Is a residential property wholesaler;

42 (b) Has only an equitable interest in the property being sold;

43 (c) Does not have legal title to the property and therefore might be unable to directly
44 transfer title to the buyer;

45 (d) Might not be a licensed real estate agent and therefore might not be permitted to

1 engage in professional real estate activity; and

2 (e) Might not be a licensed appraisal specialist and therefore might not be permitted to
3 provide an opinion as to the value of the property.

4 (3) A seller or buyer who enters into an initial written contract for a residential property
5 wholesale transaction may cancel the contract by delivery of a written notice of cancellation
6 any time prior to 12 a.m. at the end of the third business day after the receipt of the resi-
7 dential property wholesaler written disclosure.

8 (4) If the residential property wholesaler fails to provide a residential property wholesaler
9 written disclosure to the seller before entering into an initial written contract for a resi-
10 dential property wholesale transaction, the seller may terminate the contract at any time
11 without penalty and retain any earnest money paid to the seller by the residential property
12 wholesaler.

13 (5) If the residential property wholesaler fails to provide a residential property wholesaler
14 written disclosure to the buyer before entering into an initial written contract for a resi-
15 dential property wholesale transaction, the buyer may terminate the contract at any time
16 without penalty and retain any earnest money paid to the residential property wholesaler.

17 (6) In any civil action between buyer and seller that arises due to the residential property
18 wholesaler's failure to provide a residential property wholesaler written disclosure before
19 entering into an initial written contract for a residential property wholesale transaction as
20 prescribed under this section, the prevailing party bring a claim to recover all reasonable
21 attorney fees, costs and expenses incurred at trial, on appeal, at mediation and at arbitration
22 from the residential property wholesaler.

23 **SECTION 5. Grounds for disciplinary action.** The Real Estate Commissioner may suspend
24 or revoke registration of any residential property wholesaler, or may deny the issuance or
25 renewal of registration to an applicant, who has done any of the following:

26 (1) Knowingly or negligently pursued a course of material misrepresentation in matters
27 related to residential property wholesaling, whether or not damage or injury resulted, or
28 knowingly or negligently made any material misrepresentation or material false promise in
29 a matter related to residential property wholesaling if the material misrepresentation or
30 material false promise created a reasonable probability of damage or injury, whether or not
31 damage or injury actually resulted.

32 (2) Procured or attempted to procure a residential property wholesaler registration by
33 fraud, misrepresentation or deceit or by making any material misstatement of fact in an
34 application for a residential property wholesaler registration.

35 (3) Engaged in any act or conduct, whether of the same or of a different character
36 specified in this subsection, that constitutes or demonstrates bad faith, incompetence,
37 untrustworthiness or dishonest, fraudulent or improper dealings.

38 **SECTION 6.** ORS 696.010 is amended to read:

39 696.010. As used in ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and
40 696.995 and sections 1 to 5 of this 2023 Act, unless the context requires otherwise:

41 (1) "Associated with" means to be employed, engaged or otherwise supervised by, with respect
42 to the relationship between:

43 (a) A real estate broker and a principal real estate broker;

44 (b) A licensed real estate property manager and a principal real estate broker; or

45 (c) A licensed real estate property manager and another licensed real estate property manager.

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

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

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

13 (4) "Business day" means a day other than Saturday or Sunday or a federal or State of Oregon
 14 legal holiday.

15 (5) "Commingle" means the mixing of funds from any source, including personal funds, with trust
 16 funds as defined in ORS 696.241, by a licensed real estate property manager or principal real estate
 17 broker, except as specifically authorized by this chapter.

18 (6) "Compensation" means valuable consideration for services rendered or to be rendered,
 19 whether contingent or otherwise.

20 (7) "Competitive market analysis" means a method or process used by a real estate licensee in
 21 pursuing a listing agreement or in formulating an offer to acquire real estate in a transaction for
 22 the sale, lease, lease-option or exchange of real estate. The objective of competitive market analysis
 23 is a recommended listing, selling or purchase price or a lease or rental consideration. A competitive
 24 market analysis may be expressed as an opinion of the value of the real estate in a contemplated
 25 transaction. Competitive market analysis may include but is not limited to an analysis of market
 26 conditions, public records, past transactions and current listings of real estate.

27 (8) "Expired" means, in the context of a real estate licensee, that the license has not been re-
 28 newed in a timely manner, but may still be renewed.

29 (9) "Inactive" means, in the context of a real estate licensee, that the licensee is not authorized
 30 to engage in professional real estate activity. The inactive status of a license continues until the
 31 license is reactivated or the license expires or lapses.

32 (10) "Lapsed" means, in the context of a real estate licensee, that the license has not been re-
 33 newed in a timely manner and is not eligible for renewal.

34 (11) "Letter opinion" has the meaning given that term in ORS 696.294.

35 (12) "Licensed real estate property manager" means an individual who holds an active real es-
 36 tate property manager's license issued under ORS 696.022.

37 (13) "Main office" means the office designated by a principal real estate broker or licensed real
 38 estate property manager pursuant to ORS 696.200.

39 (14) "Management of rental real estate" means:

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

42 (A) Advertising the real estate for rent or lease;

43 (B) Procuring prospective tenants to rent or lease the real estate;

44 (C) Negotiating with prospective tenants;

45 (D) Accepting deposits from prospective tenants;

- 1 (E) Checking the qualifications and creditworthiness of prospective tenants;
- 2 (F) Charging and collecting rent or lease payments;
- 3 (G) Representing the owner in inspection or repair of the real estate;
- 4 (H) Contracting for repair or remodeling of the real estate;
- 5 (I) Holding trust funds or property received in managing the real estate and accounting to the
- 6 owner for the funds or property;
- 7 (J) Advising the owner regarding renting or leasing the real estate;
- 8 (K) Providing staff and services to accommodate the tax reporting and other financial or ac-
- 9 counting needs of the real estate;
- 10 (L) Providing copies of records of acts performed on behalf of the owner of the real estate; and
- 11 (M) Offering or attempting to do any of the acts described in this paragraph for the owner of
- 12 the real estate; or
- 13 (b) Representing a tenant or prospective tenant when renting or leasing real estate for which
- 14 a real estate property manager has a property management agreement with the owner of the real
- 15 estate and includes but is not limited to:
- 16 (A) Consulting with tenants or prospective tenants about renting or leasing real estate;
- 17 (B) Assisting prospective tenants in renting or leasing real estate;
- 18 (C) Assisting prospective tenants in qualifying for renting or leasing real estate;
- 19 (D) Accepting deposits or other funds from prospective tenants for renting or leasing real estate
- 20 and holding the funds in trust for the prospective tenants;
- 21 (E) Representing tenants or prospective tenants renting or leasing real estate; and
- 22 (F) Offering or attempting to do any of the acts described in this paragraph for a tenant or
- 23 prospective tenant.
- 24 (15) "Nonlicensed individual" means an individual:
- 25 (a) Who has not obtained a real estate license; or
- 26 (b) Whose real estate license is lapsed, expired, inactive, suspended, surrendered or revoked.
- 27 (16) "Principal real estate broker" means an individual who holds an active license as a princi-
- 28 pal real estate broker issued under ORS 696.022.
- 29 (17) "Professional real estate activity" means any of the following actions, when engaged in for
- 30 another and for compensation or with the intention or in the expectation or upon the promise of
- 31 receiving or collecting compensation, by any person who:
- 32 (a) Sells, exchanges, purchases, rents or leases real estate;
- 33 (b) Offers to sell, exchange, purchase, rent or lease real estate;
- 34 (c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or
- 35 leasing of real estate;
- 36 (d) Lists, offers, attempts or agrees to list real estate for sale;
- 37 (e) Offers, attempts or agrees to perform or provide a competitive market analysis or letter
- 38 opinion, to represent a taxpayer under ORS 305.239 or 309.100 or to give an opinion in any admin-
- 39 istrative or judicial proceeding regarding the value of real estate for taxation, except when the ac-
- 40 tivity is performed by a state certified appraiser or state licensed appraiser;
- 41 (f) Auctions, offers, attempts or agrees to auction real estate;
- 42 (g) Buys, sells, offers to buy or sell or otherwise deals in options on real estate;
- 43 (h) Engages in management of rental real estate;
- 44 (i) Purports to be engaged in the business of buying, selling, exchanging, renting or leasing real
- 45 estate;

1 (j) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange,
2 leasing or rental of real estate;

3 (k) Assists or directs in the negotiation or closing of any transaction calculated or intended to
4 result in the sale, exchange, leasing or rental of real estate;

5 (L) Except as otherwise provided in ORS 696.030 (12), advises, counsels, consults or analyzes in
6 connection with real estate values, sales or dispositions, including dispositions through eminent do-
7 main procedures;

8 (m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real
9 estate by an entity if the purpose of the entity is investment in real estate; or

10 (n) Performs real estate marketing activity as described in ORS 696.600.

11 (18) "Property management agreement" means a written contract for the management of rental
12 real estate between a real estate property manager and the owner of the rental real estate.

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

18 (20) "Real estate broker" means an individual who holds an active license as a real estate bro-
19 ker issued under ORS 696.022.

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

22 (22) "Real estate property manager" means a real estate licensee who engages in the manage-
23 ment of rental real estate and is a licensed real estate property manager, a principal real estate
24 broker or a real estate broker who is associated with and supervised by a principal real estate
25 broker.

26 (23) "Registered business name" means a name registered with the Real Estate Agency under
27 which the individual registering the name engages in professional real estate activity.

28 **SECTION 7. Sections 1 to 5 of this 2023 Act and the amendments to ORS 696.010 by sec-**
29 **tion 6 of this 2023 Act apply to contracts entered into on or after the effective date of this**
30 **2023 Act.**

31 **SECTION 8. The section captions used in this 2023 Act are provided only for the con-**
32 **venience of the reader and do not become part of the statutory law of this state or express**
33 **any legislative intent in the enactment of this 2023 Act.**

34

**REAL ESTATE BOARD
ADMINISTRATIVE SERVICES DIVISION REPORT
February 6, 2023**

Administrative Services Manager: Mesheal Heyman

Accountant: Caty Karayel

Systems Administrator: Tiffani Miller

Program Analyst: Rus Putintsev

Helpdesk: 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

As of the end of May, our projected revenue for the 2021-2023 biennium is **\$10.5 million**, with projected expenses at **\$9.2 million**. Our cash balance estimate is **\$6.7 million**.

Revenue/Economic Outlook

The Agency has averaged a monthly surplus of **\$82,000** since the start of the biennium.

At the end of December, we had **25,229 licensees**. This is 227 fewer licensees than the record set in June 2022. The number of new licensees issued in December fell 32% from December 2021, but renewal rates remain strong.

Communications

The division will be transitioning the Agency's website to a new Sharepoint platform by June 30. This will not result in any immediate change to the current public-facing website. The new platform will give us new tools for the website.

The Agency assisted the Oregon Department of Employment in reaching out to licensees regarding the new Paid Leave Oregon program.

Achievements

The state's Chief Financial Office awarded the Agency's its Gold Star Certificate for 2021. This honor was due to the hard work of our accountant Caty Karayel.

Real Estate Agency - AY23
2021-2023 Budget - Biennium to Date
Through June 30th 2023

Budget Codes		<u>21-2023 LAB</u>	<u>Expected Total Expenditures for Biennium (current)</u>	<u>Expected Remaining Limitation at end of Biennium</u>
	Total Personal Services	7,442,939	7,432,759	10,180
4100 & 4125	In-State Travel & Out-of-State Travel	103,008	42,968	60,040
4150	Employee Training	38,585	50,951	(12,366)
4175	Office Expenses	56,611	77,120	(20,509)
4200	Telecom/Tech Services & Support	67,400	72,878	(5,478)
4225	State Government Services	336,730	355,431	(18,701)
4250	Data Processing	113,997	93,439	20,558
4275	Publicity & Publications	38,297	6,552	31,745
4300 & 4315	Professional Services & IT Professional Services	348,043	195,496	152,547
4325	Attorney General Legal Fees	330,963	368,536	(37,573)
4375	Employee Recruitment	8,081	250	7,831
4400	Dues & Subscriptions	9,987	8,718	1,269
4425	Facilities Rent & Taxes	265,559	252,789	12,770
4475	Facilities Maintenance	4,713	11,953	(7,240)
4575	Agency Program Related S&S	942,499	825,118	117,381
4650	Other Services & Supplies	4,097	183,236	(179,139)
4700	Expendable Property \$250-\$5000	30,401	7,211	23,190
4715	IT Expendable Property	149,523	54,231	95,292
	Total Services & Supplies	2,848,494	2,606,877	241,617
	Totals	10,291,433	10,039,637	251,796

**REAL ESTATE BOARD
EDUCATION & LICENSING DIVISION REPORT
February 6, 2023**

Education & Licensing Manager: Madeline Alvarado
Compliance Specialist: Tami Schemmel, Nenah Darville, Katie Nash
Administrative Specialist: Elizabeth Hardwick, Kaely Salem, Rick Marsland

Division Overview

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

Personnel

The Division is actively recruiting for an Administrative Specialist 2/Licensing Specialist. This recruitment will close on 1/24/2023, and our target hire date is 2/7/2023.

Education Update

Continuing Education Providers were due for renewal 12/31/2022 and those that failed to renew are required to resubmit a Continuing Education Provider application and pay the \$300 application fee.

Licensing Update

For the month of October, complaint processing averaged 15 days.

Upcoming

Reminder: The Agency would like to remind the Board that we're able and willing to offer the OREA Advertising Update and General Overview Class. If your brokerage or local association is interested in this course, please have them contact me for scheduling.

RBN Renewal

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Eligible to Renew</u>	418	333	347	342	325	303	254	258	260	271	264	316
<u>Failed to Renew</u>	14	22	15	9	18	13	12	21	12	14	13	16
<u>% Renewed</u>	97%	93%	96%	97%	94%	96%	95%	92%	95%	95%	95%	95%

Licensing Statistics

Total Licensee Counts by Month:

Individuals (Persons)	Nov-22	Dec-22
Broker – Total	18,042	17,933
Active	16,344	16,161
Inactive	1,698	1,772
Principal Broker - Total	6,316	6,299
Active	5,961	5,923
Inactive	355	376
ALL BROKERS Total	24,358	24,232
Active	22,305	22,084
Inactive	2,053	2,148
Property Manager - Total	974	977
Active	860	859
Inactive	114	118
MCC Salesperson	19	20
MCC Broker	0	0
TOTAL INDIVIDUALS	25,351	25,229
Active	23,184	22,963
Inactive	2,167	2,266
Facilities (Companies)		
REMO	4	5
Registered Business Name (RBN)	3,775	3,776
Registered Branch Office (RBO)	798	801
Escrow Organization	84	83
Escrow Branch	158	158
Condominium Filing (CO)	334	348
Unit Owners Association	849	841
Pre-License Education Provider (PEP)	26	26
CEP	302	272
MCC Operator	25	25
TOTAL FACILITIES	6,355	6,335
TOTAL INDIVIDUALS & FACILITIES	31,706	31,564

New Licenses by Month:

Individuals (Persons)	Nov-22	Dec-22
Broker	133	84
Principal Broker	14	11
TOTAL BROKERS	147	95
Property Manager	8	10
MCC Salesperson	1	1
MCC Broker	0	0
TOTAL INDIVIDUALS	156	106
Facilities (Companies)		
Continuing Education Provider (CEP)	1	3
REMO	0	1
Registered Business Name	32	35
Registered Branch Office	2	13
Escrow Organization	2	0
Escrow Branch	1	0
Condominium Filing	0	0
Unit Owners Association	1	2
Pre-License Ed Provider	0	0
MCC Operator	0	0
TOTAL FACILITIES	38	51
TOTAL INDIVIDUALS & FACILITIES	194	157

Exam Statistics

December 2022

ALL LICENSING EXAMS Total

Broker	366
Property Manager	30
Principal Broker	53
Reactivation	2

Pass Rates

<i><u>First Time Pass Rate</u></i> <i><u>Percentage</u></i>	<i><u>2018</u></i>	<i><u>2019</u></i>	<i><u>2020</u></i>	<i><u>2021</u></i>	<i><u>2022</u></i>
Broker State	58	57	50	47	44
Broker National	72	70	68	67	66
Principal Broker State	59	51	53	57	54
Principal Broker National	77	69	63	55	65
Property Manager	67	64	58	66	65

Oregon Real Estate Agency Education & Licensing Division
Licensee Application & Renewal 2022 Data

New Applications													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Brokers	398	336	412	318	291	292	226	268	294	227	205	187	3454
Principal Brokers	47	32	42	25	22	23	33	28	28	25	32	18	355
Property Managers	20	35	30	33	23	21	23	22	29	25	32	15	308
Total	465	403	484	376	336	336	282	318	351	277	269	220	4117

Renewal Activity														
Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	491	517	535	527	608	569	559	569	571	571	500	533	6550
	Inactive	49	40	36	36	49	32	36	34	31	43	32	44	462
Late	Active	44	42	60	50	66	52	52	64	54	59	67	49	659
	Inactive	13	10	6	13	12	10	7	9	11	7	10	13	121
Lapse		128	104	123	107	120	117	131	90	141	94	127	109	1391
Total		725	713	760	733	855	780	785	766	808	774	736	748	9183

Principal Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	221	238	230	232	247	254	201	232	264	223	202	210	2754
	Inactive	9	8	7	8	12	11	13	10	7	7	13	9	114
Late	Active	11	10	13	13	14	9	8	11	8	7	12	6	122
	Inactive	2	1	4	1	2	1	1	2	2	2	5	2	25
Lapse		24	19	21	18	21	26	18	25	26	39	19	29	285
Total		267	276	275	272	296	301	241	280	307	278	251	256	3300

Oregon Real Estate Agency Education & Licensing Division
Licensee Application & Renewal 2022 Data

Property Managers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	28	26	25	16	35	30	34	29	32	28	21	29	333
	Inactive	2	3	1	0	2	0	2	0	2	0	2	5	19
Late	Active	3	3	1	3	3	3	3	2	0	1	2	3	27
	Inactive	1	0	0	1	1	0	1	0	0	0	0	0	4
Lapse		11	8	6	11	6	7	8	9	11	9	9	6	101
Total		45	40	33	31	47	40	48	40	45	38	34	43	484

Grand Total (Brokers, Principal Brokers, Property Managers)														
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Total Eligible to Renew		1037	1029	1068	1036	1198	1121	1074	1086	1160	1090	1021	1047	12967
On Time	Active	740	781	790	775	890	853	794	830	867	822	723	772	9637
	Inactive	60	51	44	44	63	43	51	44	40	50	47	58	595
Late	Active	58	55	74	66	83	64	63	77	62	67	81	58	808
	Inactive	16	11	10	15	15	11	9	11	13	9	15	15	150
Total Renewed		874	898	918	900	1051	971	917	962	982	948	866	903	11190
Lapse		163	131	150	136	147	150	157	124	178	142	155	144	1777

% On Time		77.1%	80.9%	78.1%	79.1%	79.5%	79.9%	78.7%	80.5%	78.2%	80.0%	75.4%	79.3%	78.9%
% Late		7.1%	6.4%	7.9%	7.8%	8.2%	6.7%	6.7%	8.1%	6.5%	7.0%	9.4%	7.0%	7.4%
% Failed to Renew(Lapsed)		15.7%	12.7%	14.0%	13.1%	12.3%	13.4%	14.6 %	11.4%	15.3%	13.0%	15.2%	13.8%	13.7%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Oregon Real Estate Agency Education & Licensing Division
Licensee Application & Renewal 2021 Data

New Applications													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Brokers	513	419	528	380	374	345	319	352	324	331	308	329	4522
Principal Brokers	43	39	49	36	34	26	30	28	43	38	33	37	436
Property Managers	20	25	18	22	31	28	25	25	30	19	22	15	280
Total	576	483	595	438	439	399	374	405	397	388	363	381	5238

Renewal Activity														
Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	461	445	528	518	512	526	520	563	525	539	464	493	6094
	Inactive	27	31	30	22	30	41	37	36	49	32	41	35	411
Late	Active	54	44	45	36	30	43	36	44	56	53	45	44	530
	Inactive	11	7	11	10	12	9	11	10	10	18	16	11	136
Lapse		123	101	120	121	113	102	110	86	116	102	115	93	1302
	Total	676	628	734	707	697	721	714	739	756	744	681	676	8473

Principal Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	220	189	223	225	196	238	252	239	237	207	202	226	2654
	Inactive	12	2	6	8	5	12	9	12	8	7	12	12	105
Late	Active	11	11	11	10	2	18	9	16	11	13	12	10	134
	Inactive	1	1	2	1	2	3	2	3	3	0	4	2	24
Lapse		25	18	19	28	32	23	23	17	19	16	16	21	257
	Total	269	221	261	272	237	294	295	287	278	243	246	271	3174

Oregon Real Estate Agency Education & Licensing Division
Licensee Application & Renewal 2021 Data

Property Managers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	34	29	32	29	36	33	33	33	25	26	25	34	369
	Inactive	5	2	1	1	3	0	3	1	1	2	1	1	21
Late	Active	1	0	2	0	0	1	2	2	3	0	2	2	15
	Inactive	0	1	0	1	1	0	0	0	0	0	0	0	3
Lapse		8	12	4	9	10	1	10	7	4	8	8	11	92
Total		48	44	39	40	50	35	48	43	33	36	36	48	500

Grand Total (Brokers, Principal Brokers, Property Managers)														
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Total Eligible to Renew		993	893	1034	1019	984	1050	1057	1069	1067	1023	963	995	12147
On Time	Active	715	663	783	772	744	797	805	835	787	772	691	753	9117
	Inactive	44	35	37	31	38	53	49	49	58	41	54	48	537
Late	Active	66	55	58	46	32	62	47	62	70	66	59	56	679
	Inactive	12	9	13	12	15	12	13	13	13	18	20	13	163
Total Renewed		837	762	891	861	829	924	914	959	928	897	824	870	10496
Lapse		156	131	143	158	155	126	143	110	139	126	139	125	1651

% On Time		76.4 %	78.2%	79.3%	78.8%	79.5%	81.0%	80.8%	82.7%	79.2%	79.5%	77.4%	80.5%	79.5%
% Late		7.9%	7.2%	6.9%	5.7%	4.8%	7.0%	5.7%	7.0%	7.8%	8.2%	8.2%	6.9%	6.9%
% Failed to Renew(Lapsed)		15.7%	14.7%	13.8%	15.5%	15.8%	12.0%	13.5%	10.3%	13.0%	12.3%	14.4%	12.6%	13.6%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Oregon Real Estate Agency Education & Licensing Division Phone Counts													
(minutes: seconds)	Jan – 22	Feb – 22	Mar – 22	Apr – 22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov--22	Dec-22	2022 Average
Call Count	1730	1520	1776	1510	1437	1444	1303	1510	1555	1444	1469	1295	1499
Average Wait Time	:33	:23	:45	:33	:35	:36	:42	:58	:50	:36	:29	:43	:39
Maximum Wait Time	0:20:37	0:12:03	0:26:17	0:13:25	0:10:53	0:11:15	0:11:13	0:31:05	0:32:16	0:13:58	0:10:52	0:11:53	0:17:09

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	1918	1822	1452	1886	1653	1616	1510	1477	1407	1426	1662
Average Wait Time	:51	:36	:29	:29	:24	:18	:26	:15	:19	:17	:22	:36	:27
Maximum Wait Time	0:19:17	0:10:52	0:09:59	0:10:43	0:08:58	0:06:37	0:28:56	0:06:49	0:07:45	0:04:46	0:13:37	0:19:12	0:12:18

(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

**REAL ESTATE BOARD
COMPLIANCE DIVISION REPORT
February 6, 2023**

Compliance Specialists 3 (Client Trust Account Coordinator): Liz Hayes

Compliance Specialist 2: Jen Wetherbee

Compliance Specialist 1: Roger McComas

Division Overview

The Compliance Division ensures that licensees meet their fiduciary and administrative responsibilities by reviewing financial and administrative records. This division aims to conduct clients' trust account and compliance reviews and develop other compliance-related programs. This work includes providing technical assistance and sharing knowledge on the interpretation and application of laws and rules administered by the Agency (excluding legal advice) to licensees, the public, and other governmental agencies.

Workload and Activity Indicators

	2014	2015	2016	2017	2018	2019	2020	2021	2022
ELOA	3	2	2	4	44	79	81	13	54
No Violation	351	356	192	172	375	216	87	10	98
Open Investigation	14	5	3	8	10	29	7	2	13
Resolved									72
Total Closed	368	363	197	184	429	324	175	25	237

2022	February	March	April	May	June	July	August	September	October	November	December
ELOA	3	1	4	5	6	5	7	5	5	5	7
No Violation	10	1	2	2	4	4	10	15	17	16	18
Open Investigation	2	0	2	0	0	3	2	2	0	2	0
Resolved	0	0	1	4	8	8	8	14	11	12	6
Total Closed	15	2	9	11	18	20	27	36	33	35	31

(# of Staff)	0.5*	0.5*	1	1	1	2**	2	2	2	2	2
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* 1 staff working 20 hours a week in Compliance Division

** 2nd staff hired 7/11/2022