



Oregon

Tina Kotek, Governor

AGENDA ITEM NO.

I.C.

**Notice of Agency
OREGON REAL ESTATE BOARD
Regular Meeting Agenda**

**Riverhouse on the Deschutes, 3075 N Business 97, Bend
October 2, 2023**

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

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 8.07.23, regular meeting minutes
- E. Date of the Next Meeting: 12.04.23 to begin at 10am, Location: Video Conference

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. None

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

- A. Annamarie Kooning
- B. Cetan Funds, LLC

V. BOARD ADVICE/ACTION - Commissioner Strode

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, Refer to Division Report
 4. Licensing and Education, Madeline Alvarado
 5. Compliance Division, Liz Hayes

IX. ANNOUNCEMENTS – Chair Gonzalez. Next board meeting: 12.04.23 to begin at 10am, Video Conference

X. ADJOURNMENT – Chair Gonzalez

Interpreter services, auxiliary aids for persons with disabilities, and access to attend remotely by videoconference are available upon advance request.



Oregon

Tina Kotek, Governor

AGENDA ITEM NO.

I.D.

Real Estate Agency
530 Center St. NE, Suite 100
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OREGON REAL ESTATE BOARD
Regular Meeting Minutes
Agency Office - Salem, Oregon
August 8, 2023
10:00 a.m.

BOARD MEMBERS PRESENT:

Susan Glen
Marie Due
Michael Warren
LaTasha Beal
Kim Hedding (remote)
Jessenia Juarez
Alex MacLean

BOARD MEMBERS ABSENT:

Jose Gonzalez
Lawnae Hunter

OREA STAFF PRESENT:

Steve Strode, Commissioner
Anna Higley, Deputy Commissioner
Madeline Alvarado, Licensing & Education Division Manager
Meghan Lewis, Senior Case Analyst
Michael Hanifin, Land Development Manager
Mesheal Tracy, Administrative Services Division Manager
Liz Hayes, Compliance Division Lead

CITIZEN:

Claire Farr
Daniel Rodriguez

I. BOARD BUSINESS - Vice-Chair Glen

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

MOTION TO APPROVE 8.8.2023 REGULAR MEETING AGENDA AS SUBMITTED BY MICHAEL WARREN

SECONDED BY MARIE DUE

MOTION CARRIED BY UNANIMOUS VOTE

- D. Approval of 6.5.23, regular meeting minutes

MOTION TO APPROVE 6.5.2023 REGULAR MEETING MINUTES AS SUBMITTED BY LATASHA BEAL

SECONDED BY MICHAEL WARREN

MOTION CARRIED BY UNANIMOUS VOTE

- E. Date of the Next Meeting: 10.02.23 to begin at 10am, Location: Riverhouse Hotel - Bend, Oregon

II. PUBLIC COMMENT - Vice-Chair Glen

NONE

III. REQUESTS FOR WAIVERS - Vice-Chair Glen Waiver request log.

- A. Claire Farr

MOTION TO APPROVE CLAIRE FARR FOR EXPERIENCE WAIVER BY ALEX MACLEAN

SECONDED BY MARIE DUE

MOTION CARRIED BY UNANIMOUS VOTE



Oregon

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B. Daniel Richard Weisfield

**MOTION TO APPROVE DANIEL RICHARD WIESFIELD FOR EXPERIENCE WAIVER BY LATASHA BEAL
SECONDED BY ALEX MACLEAN
AYE: KIM HEDDINGER, LATASHA BEAL, JESSENIA JUAREZ, ALEX MACLEAN
NAE: MICHAEL WARREN, MARIE DUE, SUSAN GLEN
MOTION CARRIED**

**IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER – Vice-Chair
Glen.**

A. None

V. BOARD ADVICE/ACTION - Commissioner Strode

- A. Public Comment Follow up: Daniel Rodriguez – Case No. 2023-206
- B. LARRC 2024-2025

**MOTION TO APPROVE 2024-2025 LARRC BY MARIE DUE
SECONDED BY MICHAEL WARREN
MOTION CARRIED BY UNANIMOUS VOTE**

- C. Contiguous State Reciprocity Practices (Continue discussion on [ORS 696.265](#) Recognition of nonresident real estate licensee & [OAR 863-014-0080](#) Nonresident License Recognition)

VI. NEW BUSINESS - Commissioner Strode

VII. COMMUNICATIONS - ADMINISTRATIVE ACTIONS SUMMARY - Vice-Chair Glen

VIII. REPORTS – Vice-Chair Glen

- A. Commissioner Strode
- B. Agency division reports-Deputy Commissioner Higley
 - 1. Regulations, Meghan Lewis
 - 2. Land Development Division, Michael Hanifin
 - 3. Administrative Services, Mesheal Heyman
 - 4. Licensing and Education, Madeline Alvarado
 - 5. Compliance Division, Liz Hayes

IX. ANNOUNCEMENTS – Vice-Chair Glen. Next board meeting: 10.02.23 to begin at 10am, Riverhouse Hotel – Bend, Oregon

X. ADJOURNMENT – Vice-Chair Glen

Interpreter services, auxiliary aids for persons with disabilities, and access to attend remotely by videoconference are available upon advance request.



PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER

Rev. 3/2022

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@rea.oregon.gov 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.
- Please do not submit any class or course information as the Oregon Real Estate Agency Board is not able to review or consider this information.

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

PETITIONER

Name Annamarie Kooning Phone Number 855-425-1031

Physical Address Leader1031 c/o Leader Bank Address Cont. 180 Massachusetts Ave.

City Arlington State MA Zip Code 02474 County Middlesex

E-mail annamarie.kooning@leaderbank.com

Mailing Address (if different) 513 S Texas St. Address Cont. _____

City Portland State OR Zip Code 97213 County Multnomah

AUTHORIZED CONTACT PERSON

Prefix _____ First Name Annamarie Last Name Kooning

Phone Number 503-481-1122 E-mail annamarie.kooning@leaderbank.com

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

AGENCY USE ONLY

Approved by Board YES NO

Review Date _____

PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER, Continued

AUTHORIZATION AND ATTESTATION
<ul style="list-style-type: none"> 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 certify 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.

I UNDERSTAND:			
	Initials	Date Completed	Agency Use Only
I will complete the Continuing Education Provider Application and will pay the \$300 fee upon Board approval.	AK	08/11/2023	ND
I understand the requirements of an education provider as outlined in Oregon Administrative Rules (OAR) Chapter 863, Division 20.	AK	08/11/2023	ND
Petitioner has demonstrated their experience and expertise in two or more course topics eligible for continuing education credit as listed in OAR 863-020-0035.	AK	08/11/2023	ND
Petitioner has demonstrated their experience in providing educational courses to real estate licensees.	AK	08/11/2023	ND

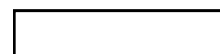
Annamarie Kooning

Date: 08/11/2023

Printed Name of Authorized Individual

Annamarie Kooning

Signature of Authorized Individual



I, Annamarie Kooning have been teaching continuing educate in the state of Oregon since 2016.

My former company was the provider of record: Asset Preservation Inc. (API), CEP 201220892.

Although my former provider had their name on the CE certificates, I, being the sole representative in the state of Oregon, created and administrated the distribution of CE certificates, kept records of original sign-in sheets, and kept all copies of the CE certificates issued, should a licensee misplace theirs.

I have taught two continuing education classes under Real Estate Taxation and Real Estate Finance:

1. Introduction to Section 1031 exchanges (Power of Strategy)
2. Advanced Section 1031 exchange concepts

Having over 26 years of experience in the real estate industry beginning as a representative for a local title and escrow settlement company. In 2015 I moved 'across the aisle' to work for a Qualified Intermediary for Section 1031 exchanges and began teaching CE for the state of Oregon in 2016 and Washington.

Currently teaching for the COAR Umatilla County Board, CBR, Columbian Basin Board, Klamath County Association. I have taught CE with the former provider in various Real Estate offices around the state.

I am also a certified licensed Real Estate instructor for the state of Washington (exp 2025).

I have completed several Master level Real Estate Finance courses at Portland State University, and I hold a Bachelor of Business Administration-Economics from Gonzaga University-Spokane WA.

I keep current with relevant tax developments-initiative via monthly meeting conducted by Kayla Frerking, Vice President -Western US with Leader 1031 and industry news.

Thank you,

ANNAMARIE KOONING

Leader1031

Qualified Intermediary for 1031 Exchanges

Annamarie.Kooning@leaderbank.com

TFN & Text 855-425-1031

Friendly and Positive Communicator, Compelling Relationship Builder, Dynamic Speaker and Trainer, Committed Multiculturalist, and a Passion for People

Real Estate Instructor for Continuing Education in Washington and Oregon:

- **Washington Real Estate School Instructor number 21003435**
- **Oregon Real Estate Education Instructor -current**

PROFESSIONAL EXPERIENCE

Leader 1031, NW Account Executive – Oregon & Washington

July 2023 to present

An active Real Estate industry's continuing education licensed Instructor though-out the two-state area, the intent is to bring an understanding of the requirements for a Section 1031 Exchanges. Currently instructor for most Washington State's Realtor Associations and several in Oregon.

Extensive background in IRC §1031 tax-deferred exchanges and every aspect of real estate transactions, having participated in hundreds of real-estate closings.

Responsible for territory management and generation of Section 1031 exchange transactions from all major stakeholders in the real estate industry in the states of Washington and Oregon.

Leader1031 is a subsidiary of Leader Bank, a Massachusetts-based entrepreneurial financial institution, with over five billion in Assets with leveraged ratio of 12.32%.

Asset Preservation Inc., Division Manager – Oregon & Washington

2015 to June 2023

Industry Association Instructor, (SKCR, SCCAR, SAR, TPCAR, TRICITYAOR, COAR), as well as in-office education throughout the two-state area to bring understanding of the requirements for a Section 1031 exchanges and the real estate wealth building effects in the two-state area.

Responsible for territory management and generation of Section 1031 exchange transactions from all major stakeholders in the real estate industry in the states of Washington and Oregon.

Pacific Northwest Title - Commercial Services Business Development

25 years

Responsible for generating new business across all commercial market segments, as well as servicing existing customer base.

Servicing clients and prospects through a consultative approach to assess individual client needs and develop, present, and implement a plan to meet those needs.

Orchestrated group and individual presentations to industry associations, target customers, and others to help expand company brand, awareness of services to revenue growth.

Associations

- Commercial Association of Brokers (CAB) member and CE instructor
- Asian Real Estate Association of America (AREAA) Portland and Seattle Chapters
- Commercial Real Estate Women (CREW) various committees
- Participation in relevant industry associations

Education Certificates

- Washington State Real Estate Continuing Education instructor approval; 2017-2025
- Oregon State Real Estate Continuing Education Instructor approval; 2017-2023
- Oregon & Washington State Bar Association approval delivering Continuing Legal Education; 2017 to present

Schooling

- Portland State University - Portland, OR Master Level Real Estate Finance courses
- Gonzaga University – Spokane, WA BBA - Economics - Minor-Biology



PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER

Rev. 3/2022

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

INSTRUCTIONS

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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.
- Please do not submit any class or course information as the Oregon Real Estate Agency Board is not able to review or consider this information.

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

PETITIONER

Name Cetan Funds, LLC Phone Number (458) 215-3200

Physical Address 72C Centennial Loop, Suite 500 Address Cont. _____

City Eugene State OR Zip Code 97401 County Lane

E-mail loanops@cetanfunds.com

Mailing Address (if different) PO Box 41997 Address Cont. _____

City Eugene State OR Zip Code 97404 County Lane

AUTHORIZED CONTACT PERSON

Prefix _____ First Name Zach Last Name Smith

Phone Number (541) 515-0565 E-mail zach@cetanfunds.com

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

AGENCY USE ONLY

Approved by Board YES NO

Review Date _____

PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER, Continued

AUTHORIZATION AND ATTESTATION
<ul style="list-style-type: none"> • 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 certify 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.

I UNDERSTAND:			
	Initials	Date Completed	Agency Use Only
I will complete the Continuing Education Provider Application and will pay the \$300 fee upon Board approval.	ZS	8/21/23	ND
I understand the requirements of an education provider as outlined in Oregon Administrative Rules (OAR) Chapter 863, Division 20.	ZS	8/21/23	ND
Petitioner has demonstrated their experience and expertise in two or more course topics eligible for continuing education credit as listed in OAR 863-020-0035.	ZS	8/21/23	ND
Petitioner has demonstrated their experience in providing educational courses to real estate licensees.	ZS	8/21/23	ND

Zach Smith

Date: **08/21/2023**

Printed Name of Authorized Individual


Signature of Authorized Individual

Reset
Print Form

**PETITION ATTACHMENT
CETAN FUNDS, LLC**

Cetan Funds is a private money lender, founded in 2017 and based in Eugene, Oregon. Its service area is the entire State of Oregon, and the company offers a variety of short-term, business/investment purpose, real estate loans. These loans are used to purchase or refinance property, most often for renovations, or to build new improvements, such as ground-up construction and infrastructure development. Property types include single-family residential, multi-family, commercial (including mixed use and special purpose), and bare land. Loan types include fix and flip, residential and commercial rehab, new construction, land acquisition and development, and residential and commercial bridge loans.

The company owners Mary Merriman, Steven Yett, and Zach Smith have a combined 70+ years of experience in banking, lending, and real estate development. Prior to founding Cetan, Mary had an extensive career in banking, including executive level experience at a regional bank. Steven has been a commercial investor, developer, and private lender for over 30 years, and currently manages a portfolio of investment real estate valued at more than \$60 million. Zach has been a successful entrepreneur for over 15 years and has led Cetan's loan originations since getting his NMLS license in 2018. Cetan Funds' company NMLS number is 1584481. All three principals and all loan officers on staff maintain their NMLS licenses as well. Licensing information and additional credentials of our principals and staff may be provided upon request.

As a private and hard money lender, Cetan Funds has originated hundreds of loans, totaling over \$100 million, throughout Oregon, including in many rural areas. These loans fund the purchase or refinance of properties, projects and/or borrowers which would typically not qualify for traditional financing. Cetan's most popular loan product is a residential rehab loan, most often used for the "fix & flip" of single-family homes. The company also routinely works with small homebuilders and residential developers on small subdivision development projects and ground-up construction, often for speculative construction of much-needed residential in-fill. Various loans for multi-family and commercial development projects are also offered. Cetan assists all these clients with planning and project evaluation. During a project, the company loan officers further help with budgeting and construction draw management.

The depth of experience among Cetan's owners/principals gives our company a unique perspective and the ability to provide an immensely beneficial partnership with our clients. Cetan works closely with its borrowers, including providing our advice and counsel during their projects. Its clients find it valuable working with a lender who has been in their shoes and understands their unique challenges and needs. Cetan's loan portfolio is also geographically diversified with loans in 24 Oregon counties currently, which gives the company insight into obstacles its borrowers face in specific counties and cities. Thanks in large part to the expertise of its principals, Cetan's loan portfolio has a less than 1% delinquency rate and most of its clients tend to be repeat borrowers completing multiple successful projects with Cetan as their chosen financing partner.

As a provider of continuing education courses, Cetan Funds would have the privilege of expanding its educational offering for the Oregon real estate community, teaching brokers about **real estate finance** and **real estate development** from the perspective of a private and hard money lender. Cetan Funds has already worked with various title companies, including Fidelity, Western, Cascade and Evergreen, the Eugene Association of Realtors, Springfield Board of Realtors, and the Oregon and Northwest Real Estate Investor Associations to provide continuing education to hundreds of real estate brokers since those entities are approved continuing education providers. The company already has the course material

ADMINISTRATIVE ACTIONS

Reported 07/21/2023

through 09/14/2023

REVOCATIONS

None.

SUSPENSIONS

White, Valerie L. Property Manager 200809166, Final Order by Default dated August 28, 2023, issuing a suspension.

REPRIMANDS

Ruelas, Jose. Property Manager 201235722, Stipulated Final Order dated August 15, 2023, issuing a reprimand.

CIVIL PENALTIES

Unlicensed Activity - 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 \$1,000-\$2,500, with each subsequent 30-day period ranging from \$2,500-\$5,000. ORS 696.990

Unlicensed Activity

Bowden, David, Unlicensed, Stipulated Order dated August 8, 2023, issuing a \$1,500 civil penalty.

Lappin, Melissa K. (Beaverton), Unlicensed, Default Final Order dated August 18, 2023, issuing a \$18,500.00 civil penalty.

Renz, George, Unlicensed, Stipulated Order dated September 6, 2023, issuing a \$1,000 civil penalty.

Coria, Leonel, Broker 980600153, Stipulated Order dated September 7, 2023, issuing a \$600.00 civil penalty.

Escrow

None.

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Unlicensed Professional
Real Estate Activity of
DAVID BOWDEN

STIPULATED FINAL ORDER AND ORDER
TO CEASE AND DESIST

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

FINDINGS OF FACT
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, Bowden was not licensed to conduct professional real estate activity in Oregon.

1.2 On January 23, 2023, the Agency received a complaint from Steve Nielsen (Nielsen) against Bowden. The Agency opened an investigation.

1.3 The complaint alleges that Nielsen was hired to manage properties that were formerly managed by Bowden. Nielsen provided one of Bowden’s business cards stating he is a Property Manager.

1.4 On February 2, 2023, Bowden submitted a complaint response to the Agency. In the response, Bowden stated he managed nine properties for Michele Piastro (Piastro) and Daniel Pak (Pak).

1.5 Bowden stated he managed properties for Piastro from 2016 through 2022.

1.6 Bowden stated he managed properties for Pak from 2019 through 2022.

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 individual.

6 4.

7 STIPULATION AND WAIVER

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

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

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

28 ///

29 ///

30 ///

ORDER

IT IS HEREBY ORDERED that, pursuant to ORS 696.397, David Bowden immediately cease and desist from engaging in any professional real estate activity as defined in ORS 696.010(17)(a) to (n) (2015, 2017, 2019, and 2021 Editions) unless Bowden first obtains a real estate license from the Agency. The Commissioner's authority for this order is under ORS 696.397.

IT IS FURTHER ORDERED that, pursuant to ORS 696.990 and based upon the violation set forth above, Bowden pay a civil penalty in the sum of \$1,500.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to the Agency.

IT IS SO STIPULATED:

IT IS SO ORDERED:



DocuSigned by:

[Signature]

2F717BCC6672419...
DAVID BOWDEN

DocuSigned by:

Steve Strode

E2C2D0097AD8471...
STEVEN STRODE

Real Estate Commissioner

Date 7/28/2023 | 2:15 PM PDT

Date 8/8/2023 | 8:38 AM PDT

Date of Service: 8/8/23

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Unlicensed Professional
Real Estate Activity of
LEONEL R CORIA

STIPULATED FINAL ORDER

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

FINDINGS OF FACT
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 Coria was a licensed real estate broker with Unified Real Estate LLC (URE).

1.2 On February 14, 2023, the Agency received a complaint against Coria from Karen Cota, Principal Broker with MORE Realty, submitted on behalf of Maikel Vazquez. Vazquez alleged that Coria signed a listing agreement while his license was not active.

1.3 On November 1, 2022, the Agency sent an email to Coria informing him the registration for URE had expired and his license was inactive because it was no longer associated with an active registered business name.

1.4 On November 2, 2022, the Agency sent another email to Coria informing him that his license was inactive due to URE closing their business with the Agency.

1.5 In both Agency emails, Coria was informed that inactive licensees cannot conduct professional real estate activities.

1 4.

2 STIPULATION AND WAIVER

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

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

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

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ORDER

IT IS HEREBY ORDERED that, pursuant to ORS 696.990 and based upon the violation set forth above, Coria pay a civil penalty in the sum of \$600.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to the Agency.

IT IS SO STIPULATED:

IT IS SO ORDERED:



DocuSigned by:
LEONEL CORIA
CAD01342BC86454...

DocuSigned by:
Steve Strode
E2C2D0097AD8471...

LEONEL CORIA

STEVEN STRODE

Real Estate Commissioner

Date 8/23/2023 | 9:56 AM PDT

Date 9/7/2023 | 8:50 AM PDT

Date of Service: 9/7/2023

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Unlicensed Professional)
Real Estate Activity of)
MELISSA K LAPPIN)

FINAL ORDER BY DEFAULT AND ORDER
TO CEASE AND DESIST

PROCEDURAL HISTORY AND PROCEDURAL LAW

1.

1.1 On June 8, 2023, the Real Estate Commissioner issued, by certified mail, a *Notice of Intent to Assess a Civil Penalty and Order to Cease and Desist*. The Oregon Real Estate Agency (Agency) sent the Notice of Intent to Melissa Lappin’s (Lappin) last known address of record with the Agency 17550 NW Rolling Hill Ln, Beaverton, OR 97006. The *Notice of Intent* was also mailed to Lappin by regular first-class mail to the above address. And the Notice of Intent was also emailed to Lappin at her email address of record.

1.2 The email was not returned as undeliverable.

1.3 On July 5, 2023, the certified mailing was returned to the Agency as Return to Sender, Unclaimed, Unable to Forward. The first-class mailing has not been returned to the Agency. Over 20 (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 or to any other person having an interest in a proceeding before the Commissioner at the licensee’s or other person’s

last known address of record with OREA. (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 Lappin’s last known address of record with the Agency was 17550 NW Rolling Hill Ln, Beaverton, OR 97006.

2.3 On June 8, 2023, a certified mailing of the notice of intent was mailed to Lappin at Lappin’s last known address of record. On July 5, 2023, the certified mailing was returned to the Agency as Return to Sender, Unclaimed, Unable to Forward.

2.4 The notice was also mailed regular first-class mail to the above possible address for Lappin. The first-class mailing has not been returned to the Agency. 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 paragraph 9 of the *Notice of Intent to Assess a Civil Penalty and Order to Cease and Desist* 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 Lappin 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, Lappin was not licensed to conduct professional real estate activity in Oregon.

3.2 The Agency revoked Lappin's property manager license in May 2021.

3.3 On January 4, 2023, the Agency received a complaint from Jason Furgison (Furgison) against Lappin. The Agency opened an investigation.

3.4 On February 3, 2023, the Agency received another complaint against Lappin from Sundaram Gopalan (Gopalan) and another investigation was opened.

Facts Related to Furgison's Complaint/Investigation:

3.5 On February 27, 2020, Furgison signed a property management agreement (PMA) with Front Door Property Management (Lappin's business), to manage their property located at 6537 NE Forest Lane, Hillsboro OR (Forest Ln property).

3.6 A tenant ledger provided by Furgison shows rent was collected from the tenant each month from March 2020 until December 2022.

3.7 Furgison provided screenshots of owner deposits from June 2022 through December 2021 paid by Front Door Property Management. Furgison also provided screenshots of owner deposits from January 2022 through October 2022. The screenshots show Front Door Property Management paid the deposits until May 2022 when Bank of America is listed in the description for the deposit.

3.8 Lappin continued to manage the Forest Ln property for 19 months, from May 2021 when her license was revoked through December 2022, when Furgison terminated the PMA with Front Door Property Management.

3.9 Furgison stated Lappin owes him approximately \$8,000 in back rents, security deposits, maintenance reserves and unpaid landscaping fees.

Facts Related to Gopalan's Complaint/Investigation:

3.10 Gopalan's complaint stated that Lappin managed their property located at 16652 NW Oak Creek Dr, Beaverton, OR (Oak Creek, property) starting March 1, 2020.

3.11 Gopalan stated due to issues with Lappin not paying the rental income as agreed in the PMA they allowed her to drop off the rental income to their address monthly and that Lappin continued to deliver the rental income from April 2022 through November 2022.

3.12 Gopalan stated Lappin owes them \$6,600 for December 2022 and January 2023 rent and for the tenant security deposit.

3.13 Gopalan provided copies of checks received from Lappin from April 2022 through November 2022. Gopalan also provided a copy of a check from Lappin dated January 6, 2023, that bounced.

3.14 Two of the checks had Melissa Lappin's name as the account name and the other checks had Front Door Property Management, LLC as the account name. Neither check indicated that the account was a clients' trust account.

STATEMENT OF LAW APPLICABLE TO FINDINGS OF FACT

4.

4.1 ORS 696.020(2) (2021 Edition) states an individual may not engage in, carry on, advertise or purport to engage in or carry on professional real estate activity, or act in the capacity of a real estate licensee, within this state unless the individual holds an active license as provided for in this chapter.

4.2 ORS 696.990(4)(a) and (b) (2021 Edition) states any person that violates ORS 696.020(2) may be required by the Real Estate Commissioner to forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined by the commissioner of: (a) not less than \$100 nor more than \$500 for the first offense of unlicensed professional real

estate activity; and (b) not less than \$500 nor more than \$1,000 for the second and subsequent offenses of unlicensed professional real estate activity.

4.3 ORS 696.010(14)(a) and (b) (2021 Edition) defines “Management of rental real estate” as: (a) Representing the owner of real estate under a property management agreement in the rental or lease of the real estate and (b) Representing a tenant or prospective tenant when renting or leasing real estate for which a real estate property manager has a property management agreement with the owner of the real estate.

4.4 ORS 696.397 states if the Agency has reason to believe that a person has engaged, is engaging or is about to engage in a violation of ORS 696.020(2) the Agency may, issue an order directing a person to cease and desist from the violation or threatened violation.

4.5 ORS 696.040 states one act or transaction of professional real estate activity is sufficient to constitute engaging in professional real estate activity, within the meaning of this chapter.

4.6 The Agency may rely on one or more definitions contained in ORS 696.010.

ULTIMATE FINDINGS OF FACT

5.

5.1 Lappin engaged in unlicensed professional real estate activity.

5.2 Lappin’s actions constitute grounds to impose a civil penalty for each violation per ORS 696.990(4)(a) and (b), as well as entry of an order to cease and desist from engaging in any professional real estate activity under ORS 696.397.

CONCLUSIONS OF LAW

6.

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

6.2 The material facts establish grounds to impose civil penalties by preponderance of the evidence, under ORS 696.990(4)(a) and (b), as well as entry of an order to cease and

desist from engaging in any professional real estate activity under ORS 696.397, as set forth in the Notice of Intent to Assess a Civil Penalty and Order to Cease and Desist.

6.3 Based on the violations of ORS 696.020(2), the Agency may assess a civil penalty against Lappin for each violation and as well as enter an order to cease and desist from engaging in any professional real estate activity.

6.4 Based on the evidence in the record, the preponderance of the evidence supports the civil penalties against Lappin and an entry of an order to cease and desist from engaging in any professional real estate activity.

6.5 The Agency may therefore assess a civil penalty against Lappin for each violation and enter an order to cease and desist from engaging in any professional real estate activity.

(1) **Violation:** By continuing to conduct property management activity while her license was revoked, from May 2021 through December 2022, Lappin engaged in unlicensed professional real estate activity as defined in ORS 696.010(14)(a) and(b) (2021 Edition), in violation of ORS 696.020(2) (2021 Edition). ORS 696.020(2) states an individual may not engage in, carry on, advertise or purport to engage in or carry on professional real estate activity or act in the capacity of a real estate licensee, within this state unless the individual holds an active license as provided in this chapter.

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ORDER

IT IS HEREBY ORDERED that pursuant to ORS 696.397, Lappin immediately cease and desist from engaging in any professional real estate activity as defined in ORS 696.010(17)(a)-(n) (2021 Edition) unless Lappin first obtains a real estate license from the Agency. The Commissioner's authority for this order is under ORS 696.397.

IT IS FURTHER ORDERED, pursuant to ORS 696.990 and based upon the violation set forth above, Lappin pay a civil penalty in the sum of \$18,500.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to the Agency.

Dated this 18th day of August, 2023.

OREGON REAL ESTATE AGENCY

DocuSigned by:
Steve Strobe
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Steven Strobe
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.

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Unlicensed Professional
Real Estate Activity of
GEORGE RENZ

STIPULATED FINAL ORDER AND ORDER
TO CEASE AND DESIST

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

FINDINGS OF FACT
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, Renz was not licensed to conduct professional real estate activity in Oregon.
- 1.2 On March 21, 2023, the Agency received a complaint from Bernard Woodard (Woodard) against Renz. The Agency opened an investigation.
- 1.3 Woodard was the Operations Manager with Elk Island Trading Group, LLC (Elk Island) and stated in the complaint that Renz agreed to represent Elk Island as the buyers, while representing the sellers in the purchase of a property located in Roseburg, Oregon (the Property).
- 1.4 On April 19, 2023, Renz emailed the Agency a June 2021 Commercial and Residential Income Listing Agreement, a corrected June 2021 Listing Agreement, along with 2022 and 2023 extension addendums for the Property.

1 1.5 In an online search on LoopNet Agency Investigator Cidia Nañez (Nañez) found
2 that a listing for the Property had been created on April 20, 2022. The listing
3 contained a link to a “Marketing Brochure/Flyer” which stated the Property was
4 exclusively listed by Renz.

5 1.6 On March 3, 2023, Renz wrote the Standard Offer, Agreement and Escrow
6 Instructions for Purchase of Real Estate for the Property. Renz was listed as both
7 the buyer’s and the seller’s agent.

8 1.7 According to Renz, when he agreed to represent the buyer and the sellers of the
9 Property, he believed that his participation was exempt as an isolated
10 transaction, since ORS 696.020(2) provides that actions needing a license must
11 occur “within this state.” Renz believed that meant his physical presence in
12 Oregon, rather than the physical location of the listed property.

13 **First Conclusion of Law:** By listing, advertising and negotiating the sale of the
14 Property without a real estate license in Oregon, Renz engaged in the professional real estate
15 activity as defined in ORS 696.010(17)(a),(b),(c),(d),(i),(j) (2021 Edition), which is a violation of
16 ORS 696.020(2) (2021 Edition). Renz is subject to a civil penalty under ORS 696.990(4)(a)
17 (2021 Edition, as amended on January 1, 2023).

18 2.

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

27 3.

28 The Agency reserves the right to investigate and pursue additional complaints that may
29 be received in the future regarding this individual.

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ORDER

IT IS HEREBY ORDERED that, pursuant to ORS 696.397, Renz immediately cease and desist from engaging in any professional real estate activity as defined in ORS 696.010(17)(a) to (n) (2021 Edition) unless the following applies: 1) Renz first obtains a real estate license from the Agency, or 2) Renz has a cooperative agreement in place with an Oregon principal real estate broker and is following and meets all of the requirements found in ORS 696.290(7). The Commissioner’s authority for this order is under ORS 696.397.

IT IS FURTHER ORDERED that, pursuant to ORS 696.990 and based upon the violation set forth above, Renz pay a civil penalty in the sum of \$1,000.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to the Agency.

IT IS SO STIPULATED:

IT IS SO ORDERED:



DocuSigned by:
George L. Renz
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GEORGE RENZ

DocuSigned by:
Steve Strode
E2C2D0097AD8471...
STEVEN STRODE

Date 8/23/2023 | 1:02 PM PDT

Real Estate Commissioner
Date 9/6/2023 | 9:06 AM PDT

Date of Service: 9/6/2023

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)
JOSE RUELAS) STIPULATED FINAL ORDER

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

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Ruelas was licensed as a property manager with Secure Property Management, LLC (SPM).

1.2 On October 4, 2022, Ruelas was notified that his clients' trust account ending in 2173 (CTA #2173), which holds owner funds, had been selected for reconciliation review. Documents for July 2022 were provided to the Agency. An investigation was opened due to the outstanding issues found in the review.

1.3 On January 25, 2023, agency investigator John Moore (Moore) requested Ruelas provide the most recent completed three-way reconciliation for CTA #2173 and supporting documents, with a due date of February 3, 2023.

1.4 On February 7, 2023, an email was received from James Ruelas (J Ruelas) requesting an extension as their CPA was almost done with the reconciliation.

1.5 On February 10, 2023, J Ruelas emailed November and December 2022 AppFolio two-way reconciliation reports and bank statements. A part three reconciliation to the Owners Ledgers was not provided for either month. The reconciliations did not contain the

1 three components of a CTA reconciliation in a single document, nor were they signed and
2 dated.

3 1.6 On March 29, 2023, J Ruelas told Moore that they had not completed a
4 reconciliation to the Owners Ledgers for November or December 2022.

5 1.7 On April 17, 2023, J Ruelas stated that they had gotten behind on the
6 reconciliation and it was hard catching them up. Ruelas and J Ruelas told Moore that they had
7 not been doing their monthly CTA reconciliations.

8 **(1) Conclusion of Law:** By failing to reconcile the November and December 2022
9 reconciliations within 30 calendar days of the bank statement, Ruelas violated ORS 696.301(3)
10 as it incorporates ORS 696.890(4)(c)(d)(e) (2021 Edition) and its implementing rule OAR 863-
11 025-0028(2)(a)(A)(B)(C) (1/1/2022 Edition).

12 **(2) Conclusion of Law:** By failing to reconcile CTA #2173 to the Owners Ledgers Ruelas
13 violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(d)(e) (2021 Edition) and its
14 implementing rule OAR 863-025-0028(2)(a)(C) (1/1/2022 Edition).

15 **(3) Conclusion of Law:** By failing to complete the reconciliation document and sign and
16 date the reconciliation document attesting to the accuracy and completeness of the
17 reconciliation, Ruelas violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(d)(e)
18 (2021 Edition) and its implementing rule OAR 863-025-0028(2)(d)(A)(B) (1/1/2022 Edition).

19 1.8 The record of receipts and disbursements provided to Moore did not contain the
20 purpose of the disbursement for many of the entries.

21 **(4) Conclusion of Law:** By failing to include the purpose of the disbursements in the
22 record of receipts and disbursements, Ruelas violated ORS 696.301(3) as it incorporates ORS
23 696.890(4)(c)(d)(e) (2021 Edition) and its implementing rule OAR 863-025-0040(2)(b)(D)
24 (1/1/2022 Edition).

25 1.9 The record of receipts and disbursements did not contain the purpose of the
26 funds received.

27 **(5) Conclusion of Law:** By failing to include the purpose of the funds received in the
28 record of receipts and disbursements, Ruelas violated ORS 696.301(3) as it incorporates ORS
29 696.890(4)(c)(d)(e) (2021 Edition) and its implementing rule OAR 863-025-0040(2)(a)(C)
30 (1/1/2022 Edition).

1 1.10 The record of receipts and disbursements did not contain an identifying code for
2 each transaction.

3 **(6) Conclusion of Law:** By failing to include the identifying code for each transaction in the
4 record of receipts and disbursements, Ruelas violated ORS 696.301(3) as it incorporates ORS
5 696.890(4)(c)(d)(e) (2021 Edition) and its implementing rule OAR 863-025-0040(2)(c)
6 (1/1/2022 Edition).

7 1.11 There are entries on the record of receipts and disbursements for cash received
8 and no receipt numbers are recorded.

9 **(7) Conclusion of Law:** By failing to prepare a legible written receipt that is consecutively
10 pre-numbered, and printed in at least duplicate form, for any cash funds received under a
11 property management agreement, Ruelas violated ORS 696.301(3) as it incorporates ORS
12 696.890(4)(c)(d)(e) (2021 Edition) and its implementing rule OAR 863-025-0060(1)(3)
13 (1/1/2022 Edition).

14 1.12 For deposits and funds received, the AppFolio Deposit Register report shows an
15 aggregated deposit identified as #829 dated December 6, 2022, that was partially made up of
16 a receipt of funds dated November 23, 2022, and a receipt of funds dated November 1, 2022.

17 1.13 The Deposit Register detail has an aggregated deposit #831 made on December
18 14, 2022, that was partially made up of a receipt of funds dated November 16, 2022.

19 **(8) Conclusion of Law:** By failing to deposit funds into CTA #2173 before the close of
20 business on the fifth banking day following receipt, Ruelas violated ORS 696.301(3) as it
21 incorporates ORS 696.890(4)(c)(d)(e) (2021 Edition) and its implementing rule OAR 863-025-
22 0065(4) (1/1/2022 Edition).

23 1.14 A comparison of the December 2022 Check Register detail to the December
24 2022 Bank Statement found several checks clearing the bank that had different amounts for
25 the checks than what was shown on the Check Detail Register.

26 **(9) Conclusion of Law:** By failing to accurately record the amount of each disbursement
27 on the Check Register, Ruelas violated ORS 696.301(3) as it incorporates ORS
28 696.890(4)(a)(c)(e) (2021 Edition).

29 1.15 A comparison of the December 2022 Deposit Register detail to the December
30 2022 Bank Statement found deposits on the bank statement that could not be traced to the

1 Deposit Register detail and deposits on the Deposit Register detail that could not be traced to
2 the bank statement.

3 **(10) Conclusion of Law:** By failing to accurately record the amount of each deposit on the
4 Deposit Register, Ruelas violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(e)
5 (2021 Edition).

6 1.16 The November 2022 reconciliation listed numerous outstanding disbursements to
7 SPM. J Ruelas confirmed to Moore that the checks had been made out to SPM for
8 management fees but had not been deposited in the bank.

9 **(11) Conclusion of Law:** By failing to disburse property management fees to SPM within 30
10 days, Ruelas violated ORS 696.301(3) as it incorporates ORS 696.241(5) (2021 Edition).

11 1.17 The name of CTA #2173 and CTA ending in 2181 (CTA #2181) are not identified
12 within the Agency's eLicense system as named with the bank.

13 1.18 A Notice of Clients' Trust Account & Authorization to Examine for CTA #2181
14 was not located in Agency records for SPM.

15 **(12) Conclusion of Law:** By not registering the name of CTA #2173 and CTA #2181 with
16 the Agency and not providing a Notice of Clients' Trust Account & Authorization to Examine for
17 CTA #2181, Ruelas violated ORS 696.301(3) as it incorporates ORS 696.245(2)(c)(e) (2019
18 and 2021 Editions).

19 1.19 All of the above demonstrates incompetence or untrustworthiness in performing
20 acts for which the real estate licensee is required to hold a license and conduct that is below
21 the standard of care for the practice of professional real estate activity in Oregon.

22 **(13) Conclusion of Law:** Based on the foregoing, Licensee is subject to discipline under
23 ORS 696.301(12) and (15) (2021 Edition)

24
25 2.

26 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

27 2.2 The Agency reserves the right to investigate and pursue additional complaints
28 that may be received in the future regarding this licensee.

29 2.3 In establishing the violations alleged above, the Agency may rely on one or more
30 of the definitions contained in ORS 696.010.

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ORDER

IT IS HEREBY ORDERED that Jose Ruelas' license be, and hereby is reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:

Jose Ruelas

259C1224BDE64CE...

JOSE RUELAS

Date 8/10/2023 | 8:49 AM PDT

DocuSigned by:

Steve Strode

E2C2D0097AD8471...

STEVEN STRODE

Real Estate Commissioner

Date 8/15/2023 | 11:22 AM PDT

Date of Service: 8/15/23



REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

VALERIE LYNN WHITE



FINAL ORDER BY DEFAULT

PROCEDURAL HISTORY AND PROCEDURAL LAW

1.

1.1 On July 21, 2023, the Real Estate Commissioner issued, by certified mail, a *Notice of Intent to Suspend* the real estate property manager license of Valerie White (White). On July 21, 2023, the Agency received communication from attorney David W. Cramer (Cramer), with MB Law Group, who was representing White, to send all correspondence to him alone. The Oregon Real Estate Agency (Agency) sent the Notice of Intent to Cramer at the known address of record with the Agency (117 SW Taylor, Suite 200, Portland, OR 97204). The *Notice of Intent* was also mailed to Cramer by regular first-class mail to the above address in a handwritten envelope. And *The Notice of Intent* was emailed to Cramer at his email address of record.

1.2 The email was not returned as undeliverable.

1.3 On July 28, 2023, the return receipt was returned to the Agency for the certified mailing. The return receipt showed the Notice was received and signed for by Sonya Kuehn. 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 On July 21, 2023, the Agency received communication from the attorney representing White, David Cramer, requesting that all correspondence be sent to him alone.

2.3 A certified mailing of the *Notice of Intent* was mailed to Cramer at his known address of record on July 21, 2023. The certified mailing of the notice has not been returned to the Agency.

2.4 The notice was also mailed regular first-class mail in a handwritten envelope to the above address for Cramer. The mailing in the handwritten envelope has not been returned to the Agency. 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.

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

2.7 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.

2.8 As noted in section 8 of the *Notice of Intent to Suspend*, 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 White 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, White was licensed as a Property Manager with Encompass Management & Consulting, LLC (EMC).

3.2 On April 27, 2023, the Agency received a complaint from a licensed property manager associated with EMC, Nicole Sherrod (Sherrod) against White. The complaint alleged that White had not disbursed funds in a timely manner to multiple property owners. The agency opened an investigation.

3.3 On May 11, 2023, White responded to the Agency via email and requested additional time to respond to the allegations and informed the Agency she was seeking legal counsel.

3.4 On May 22, 2023, the Agency received a second complaint from a property owner against White. The complaint alleges EMC failed to disburse funds in a timely manner;

failed to respond to email requests; and disbursed funds for repair without approval as required by the property management agreement (PMA). The Agency opened a second investigation.

3.5 On May 23, 2023, the Agency received a third complaint from a property owner against White. The complaint alleges that EMC failed to disburse funds timely and failed to make a disbursement for April 2023. The Agency opened a third investigation.

3.6 On June 5, 2023, the Agency received a fourth complaint from a property owner against White. The complaint alleges that EMC failed to respond to owner requests for information and failed to disburse funds timely. The Agency opened a fourth investigation.

3.7 On June 7, 2023, the Agency received a fifth complaint from a property owner against EMC and White. The complaint alleges that EMC failed to disburse funds in a timely manner. The Agency opened a fifth investigation. On July 10, 2023, the same complainant notified the Agency that January 2023 was the last owner statement received and estimated he was owed \$150,000.00 or more.

3.8 On June 7, 2023, Agency Investigator Aaron Grimes (Grimes) emailed Sherrod and requested additional supporting documentation, including Client Trust Accounts verification and bank statements.

3.9 On June 14, 2023, the Agency received a sixth complaint from a property owner against White. The complaint alleges that EMC was delinquent on payment and has failed to disburse funds in a timely manner. The Agency opened a sixth investigation. On July 14, 2023, the same complainant notified the Agency he had not received payments and is owed over \$20,000.00.

3.10 On June 21, 2023, Grimes called EMC. White was unavailable and Grimes left a message to contact the Agency.

3.11 On June 23, 2023, Grimes called White and notified her that a request for records would be issued via email from the Agency.

3.12 On June 23, 2023, Agency Case Resolution Coordinator Amanda Moser (Moser) emailed White requesting required records and documentation in response to the second through sixth cases referenced in 3.4 through 3.9 above. To comply with rule, a due date of June 30, 2023, was provided unless an extension request was received. The documents White was requested to provide included:

a. For the second case referenced above, the Agency requested White provide the property management agreement, the Annual Ledger Report for the years 2021-2022, as well as verification of payment to a vendor.

b. For the third case referenced above, the Agency requested White provide a response to the complaint received from the property owner, the property management agreement, as well as the most recent CTA reconciliation for the property.

c. For the fourth case referenced above, the Agency requested White provide a response to the complaint received from the property owner, the property management agreement, as well as the final accounting for the property.

d. For the fifth case referenced above, the Agency requested White provide a response to the complaint received from the property owner, the property management agreement, final accounting for the property, as well as the most recent CTA reconciliation for the property.

e. For the sixth case referenced above, the Agency requested White provide a response to the complaint received from the property owner, the property management agreement, as well as the Annual Owner Report beginning in 2023.

3.13 White did not produce the requested records and documentation by the deadline, and she did not request an extension.

3.14 On July 7, 2023, Moser followed up with White via email notifying her that the Agency is continuing the investigation without her response for requested records, and the Agency could begin issuing applicable civil penalties of \$1,000.00 per day, per statute for failure to provide records. White was requested to provide records immediately, per administrative rule.

3.15 On July 7, 2023, White responded to the Agency's email stating she needed more time to respond to the Agency's records request due to having been in the hospital. In response, the Agency requested supporting documentation to consider the request for an extension. No response was received thereafter.

3.16 Not all the requested records have been received by the Agency from White to date.

a. For the second case referenced above, the Agency did receive the PMA. The Agency did not receive the annual ledger report for the years 2021-2022, or verification of payment to a vendor,

b. For the third case referenced above, the Agency did receive a PMA for one property but did not receive a PMA for a second property. The Agency did not receive a response to the complaint received, or a complete copy of the most recent CTA reconciliation for the property.

c. For the fourth case referenced above, the Agency did receive a PMA. The Agency did not receive a response to the complaint received, or the final accounting for the property.

d. For the fifth case referenced above, the Agency did receive a PMA. The Agency did not receive a response to the complaint received, the final accounting for the property, or a complete copy of the most recent CTA reconciliation.

e. For the sixth case referenced above, the Agency did receive the PMA for one property but did not receive a PMA for a second property. The Agency did not receive the annual owner report for one of the properties and did not receive a response to the complaint received.

3.17 Real estate licensees are required to maintain and produce records to the agency. White's failure to produce records that she is required to maintain and provide to the agency when requested demonstrates incompetence in White's performance of professional real estate activity.

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 696.396(2)(c)(B) and (D) states the rules adopted by the commissioner under this section: (c) May not authorize imposition of a suspension or a revocation of a real estate license unless the material facts establish a violation of a ground for discipline under ORS 696.301 that: (B) Exhibits incompetence in the performance of professional real estate activity; (D) Repeats conduct or an act that is substantially similar to conduct or an act for which the real estate licensee was disciplined previously.

4.3 ORS 696.280(1)(3)(4)(a)(b)(c)(d) and (5) states that a licensed real estate property manager or principal real estate broker shall maintain within this state, except as provided in subsection (6) of this section, complete and adequate records of all professional real estate activity conducted by or through the licensed real estate property manager or principal real estate broker. The Real Estate Agency shall specify by rule the records required to establish complete and adequate records of a licensed real estate property manager's or principal real estate broker's professional real estate activity. The only documents the agency may require by rule a licensed real estate property manager or principal real estate broker to use or generate are documents that are otherwise required by law or are voluntarily generated in the course of conducting professional real estate activity; (3) Records maintained under this section must at all times be open for inspection by the Real Estate Commissioner or the commissioner's authorized representatives; (4) Except as provided in subsection (2) of this section, records under this section must be maintained by the real estate licensee for a period of not less than six years after the following date: (a) For a notice of clients' trust account and authorization to examine under ORS 696.245, the date the account was closed; (b) For real estate transactions, the date a transaction closed or failed, whichever is later; (c) For management of rental real estate, the date on which the record expired, was superseded or terminated, or otherwise ceased to be in effect; and (d) For all other records, the date the record was created or received, whichever is later; (5) Records under this section may be maintained in any format that allows for inspection and copying by the commissioner or the commissioner's representatives, as prescribed by rule of the agency.

4.4 ORS 696.990(6)(a). According to ORS 696.990(6)(a) Except as provided in paragraph (b) of this subsection, a real estate licensee who is a real estate property manager or principal real estate broker and who is engaging in or who has engaged in the management

of rental real estate may be required to forfeit and pay to the General Fund of the State Treasury a civil penalty of up to \$1,000 per day of violation, or a lesser penalty in an amount determined by the commissioner, if the licensee fails to comply with rules that require the licensee to produce for inspection records related to the management of rental real estate that are maintained by the licensee as provided by ORS 696.280.

4.5 OAR 863-025-0035(2)(a)(b) and (c) states: (2) A property manager must produce records required under section (1) of this rule for inspection by the Agency as follows: (a) When the Agency makes a request for production of property management records, the property manager must provide such records within no less than five banking days; (b) if the Agency has reasonable grounds to believe the funds of an owner or tenant may be missing or misappropriated or that the property manager is engaging in fraudulent activity, any records demanded or requested by the Agency must be produced immediately; and (c) Failure to produce such records within the timelines stated in subsection (a) or (b) of this section is a violation of ORS 696.301.

4.6 OAR 863-027-0020(1) defines the goal of progressive discipline and OAR 863-027-0020(2) sets out all factors the Real Estate Commissioner will consider when determining the level of discipline for licensees.

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

4.8 And, in accordance with 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.

CONCLUSIONS OF LAW

5.

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

5.2 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 Suspend*.

5.3 Based on these violations, the Agency may suspend White's property manager license.

5.4 Specifically, White is subject to discipline pursuant to ORS 696.301(3), 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.

5.5 A suspension of White's property manager license is appropriate for violations of ORS 696.301(3).

5.6 A suspension of White's property manager license is appropriate under ORS 696.396(2)(c)(B) and (D). According to ORS 696.396(2)(c)(B) and (D) the Agency may suspend a real estate license if the material facts establish a violation of discipline under ORS 696.301 that (B) exhibits incompetence in the performance of professional real estate activity; (D) repeats conduct or an act that is substantially similar to conduct or an act for which the real estate licensee was disciplined previously.

5.7 Based on the evidence in the record, the preponderance of the evidence supports the suspension of White's property manager license.

5.8 The Agency may therefore, suspend White's property manager license.

5.9 Pursuant to ORS 696.775 the expiration/lapsing of White's license does not prohibit the Commissioner from proceeding with this, or further action.

(1) Violation: By failing to produce records as requested by the Agency, White violated ORS 696.301(3) as it incorporates OAR 863-025-0035(2)(a)(b)(c) (1/1/2023 Edition).

ORDER

IT IS HEREBY ORDERED that pursuant to ORS 696.301 and based upon the violation set forth, White's property manager license is suspended. This suspension is indefinite and will continue for a minimum of *two weeks* or until White fully complies with the Agency's records request. The Agency in its sole discretion will determine compliance with its records request.

Dated this 28th day of August, 2023.

OREGON REAL ESTATE AGENCY

DocuSigned by:
Steve Strode
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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.

**REAL ESTATE BOARD
REGULATION DIVISION REPORT
October 2nd, 2023**

Regulation Division Manager: Elli Kataura

Compliance Specialist 3s (Senior Case Analysts): Meghan Lewis, Hani Ghamrawi

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

Administrative Specialist 2 (Case Resolution Coordinator): Amanda Moser

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 are fully staffed in the Regulation Division.

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 9/13/23</u>
Complaint	13	13	33	17	12
Investigation	49	78	46	27	49
<i>(# of Investigators)</i>	7	7	7	6*	6*
Admin Review	76	8	12	3	9
Settlement Process	48	6	9	4	4

* We have one investigator that has been on extended leave for the majority of 2022-2023.

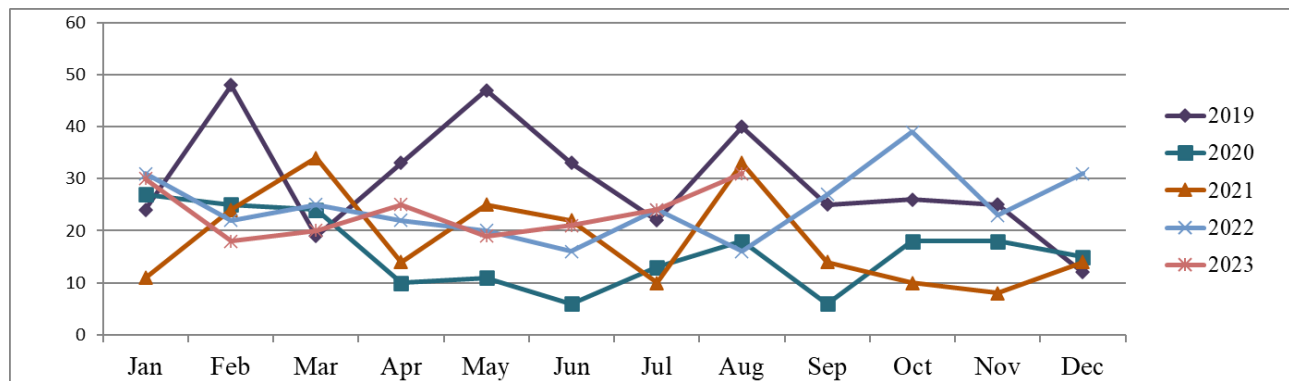
**Report to the Real Estate Board
Land Development Division
October 2nd, 2023**

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



We’ve had 188 filings through end of August this year, which is slightly greater than equivalent the filing volume last year through the same time frame.

Rulemaking:

The agency is engaged in rulemaking related to OAR 863-014-0054 and 863-024-0053. Temporary rules have been put into place and permanent rulemaking has begun. Copies of the temporary rules are attached as exhibits to this report. The purpose of this rulemaking is to respond to changes in the Servicemembers Civil Relief Act (SCRA) regarding license portability between states. Those changes became effective in January of this year. The agency has filed temporary rules that match the drafts being provided to the advisory group.

- 1) Removed the testing requirement of (3)(d) as the SCRA does not allow for such testing.
- 2) Revised the duration of the authorization so that it does not last beyond the time that the home state license goes inactive for any reason (they must maintain an active status in the home state throughout the term of the authorization).
- 3) Removed the word “temporary” throughout.
- 4) In both rules, revised the structure of the rule slightly to include the 2nd para of both rules in the required provisions a person must comply with in order to get an authorization.
- 5) Included the servicemember themselves, as they benefit from the law as well.

863-014-0054

Temporary Authorization for Armed Forces Servicemembers and Their Spouses or Domestic Partners

(1) ~~Upon completion of the requirements in (3) through (5) of this rule, a spouse or domestic partner of an active-duty member of the United States Armed Forces who is stationed in this state, or the spouse or domestic partner of such servicemember,~~ may obtain an ~~temporary~~ authorization to conduct professional real estate activity as a real estate broker or principal broker ~~upon completion of the requirements in (3) through (5) of this rule~~. Such authorization is valid until the earliest of the following:

- (a) Two years from the date of issuance;
- (b) The date the ~~applicant's spouse or domestic partner completes their servicemember's~~ term of active ~~active-duty~~ service in this state ~~is complete~~; or
- (c) The date the applicant's license issued by another state expires ~~or is no longer active~~.

(2) Upon submission of the application for authorization, the applicant must hold an active real estate license of the same real estate license category in another U.S. state ~~and such license or certificate must have been active during the two years immediately preceding the move~~. The applicant must be in good standing in the state or states in which the applicant is currently licensed.

(3) To apply for ~~temporary~~ authorization, the applicant must:

- (a) Complete an application and pay the related fee as provided in OAR 863-014-0010(1).
- (b) ~~Submit to a background check and fingerprint as provided in OAR 863-014-0015. Submit a copy of their or their spouse's or domestic partner's military orders stationing the servicemember in Oregon.~~
- (c) Furnish certification of active license history ~~issued by the state or states where licensed as required in (2) of this rule.~~
- (d) ~~Pay the required fee to the examination provider and pass the state portion of the real estate broker or principal broker license examination to demonstrate competency.~~

(4) An applicant seeking ~~temporary~~ authorization to conduct professional real estate activity as a real estate broker must be associated with a principal broker as provided in OAR 863-014-0035(3).

(5) An applicant seeking ~~temporary~~ authorization to conduct professional real estate activity as a principal real estate broker must either:

- (a) Register a business name using an online application through the Agency's website as provided in OAR 863-014-0095; or
- (b) Have an active principal broker transfer the applicant to an active registered business name under OAR 863-014-0063 using an online application available through the Agency's website.

(6) The ~~temporary~~ authorization to conduct professional real estate activity as a real estate broker or principal broker may not be renewed on expiration. Previous holders of an ~~temporary~~ authorization must reapply and fulfill the requirements of ORS 696.022 and OAR 863-014-0035 or 863-014-0040 in order to conduct professional real estate activity in this state.

Commented [HMB*R1]: Removed "temporary" throughout, and added Servicemember to reflect that it applies to them as well as their spouses.

Commented [HMB*R2]: Changed 3 to 2 to reflect that the language of para 2 is actually a requirement. This also tracks with adding two years active here.

Commented [HMB*R3]: This change includes the prior two years active requirement without trying to define active use.

Commented [HMB*R4]: Removed the testing requirement because the SCRA does not allow it.

Statutory/Other Authority: HB 3030, SB 688 (2019 Laws)
Statutes/Other Implemented: HB 3030, SB 688 (2019 Laws)

History:

[REA 1-2020, adopt filed 05/26/2020, effective 06/01/2020](#)

[REA 1-2019, temporary adopt filed 12/30/2019, effective 01/01/2020 through 06/28/2020](#)

863-024-0054

Temporary Authorization for Armed Forces Servicemembers and Their Spouses or Domestic Partners

(1) ~~Upon completion of the requirements of (3) and (4) of this rule, a spouse or domestic partner of a~~ An active-duty member of the United States Armed Forces who is stationed in this state, or the spouse or domestic partner of such servicemember, may obtain an ~~temporary~~ authorization to engage in the management of rental real estate as a real estate property manager upon completion of the requirements in (2) through (4) of this rule. Such authorization is valid until the earliest of the following:

(a) Two years from the date of issuance;

(b) The date the ~~applicant's spouse or domestic partner completes their~~ servicemember's term of active duty service in this state is complete; or

(c) The date the applicant's license issued by another state expires or is no longer active.

(2) Upon submission of the application for authorization, the applicant must hold an active property manager license in another U.S. state and such license must have been active during the two years immediately preceding the move. The applicant must be in good standing in the state or states in which the applicant is currently licensed.

(3) To apply for ~~temporary~~ authorization, the applicant must:

(a) Complete an application and pay the related fee as provided in OAR 863-024-0010(1).

~~(b) Submit to a background check and fingerprint as provided in OAR 863-024-0015. Submit a copy of their or their spouse's or domestic partner's military orders stationing the servicemember in Oregon.~~

(c) Furnish certification of active license history issued by the state or states where licensed as required in (2) of this rule.

~~(d) Pay the required fee to the examination provider and pass the property manager examination to demonstrate competency.~~

(4) An applicant seeking ~~temporary~~ authorization to engage in the management of rental real estate as a real estate property manager must either:

(a) Register a business name using an online application through the Agency's website as provided In OAR 863-024-0095; or

(b) Have an active principal broker or licensed property manager transfer the applicant to an active registered business name under OAR 863-024-0063 using an online application available through the Agency's website.

(5) The ~~temporary~~ authorization to engage in the management of rental real estate as a real estate property manager may not be renewed on expiration. Previous holders of an ~~temporary~~ authorization must reapply and fulfill the requirements of ORS 696.022 and OAR 863-024-0045 in order to engage in the management of rental real estate in this state.

Statutory/Other Authority: HB 3030, SB 688 (2019 Laws)

Statutes/Other Implemented: HB 3030, SB 688 (2019 Laws)

History:

[REA 1-2020, adopt filed 05/26/2020, effective 06/01/2020](#)

[REA 1-2019, temporary adopt filed 12/30/2019, effective 01/01/2020 through 06/28/2020](#)

**REAL ESTATE BOARD
ADMINISTRATIVE SERVICES DIVISION REPORT
October 2, 2023**

Administrative Services Manager: Mesheal Tracy

Accountant: Caty Karayel

Systems Administrator: Tiffani Miller

Program Analyst: Rus Putintsev

IT 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

The 2021-2023 biennium ended on June 30, 2023, with accounting close on August 12. The ending cash balance is **\$6.85 million**. The 2023-2025 biennial budget is \$13.9 million, inclusive of \$2.3 million in one time expenses related to the eLicense replacement project. Estimated revenue for the biennium is **\$10.5 million** and estimated expenses at **\$13.2 million**.

Revenue/Economic Outlook

At the end of August, we had **25,046 licensees**, a 1.3% decline from the record number of licensees in August 2022.

Division Accomplishments

The division has successfully implemented the new statewide eProcurement system, OregonBuys.

Real Estate Agency - AY25

2023-2025 Budget - Biennium to Date Through June 30th 2025

Budget Codes		23-2025 LAB	Expected Total Expenditures for Biennium (current)	Expected Remaining Limitation at end of Biennium
	Total Personal Services*	8,696,131	9,302,762	(606,631)
4100 & 4125	In-State Travel & Out-of-State Travel	107,334	53,021	54,313
4150	Employee Training	40,206	30,350	9,856
4175	Office Expenses	58,989	11,761	47,228
4200	Telecom/Tech Services & Support	70,231	74,524	(4,293)
4225	State Government Services	646,658	539,505	107,153
4250	Data Processing	118,785	118,018	767
4275	Publicity & Publications	39,905	2,262	37,643
4300 & 4315	Professional Services & IT Professional Services	378,671	198,680	179,991
4325	Attorney General Legal Fees	365,688	389,444	(23,756)
4375	Employee Recruitment	8,420	0	8,420
4400	Dues & Subscriptions	10,406	10,575	(169)
4425	Facilities Rent & Taxes	276,712	259,059	17,653
4475	Facilities Maintenance	4,911	8,453	(3,542)
4575	Agency Program Related S&S	982,084	982,084	0
4650	Other Services & Supplies	4,269	186,346	(182,077)
4700	Expendable Property \$250-\$5000	31,678	2,500	29,178
4715	IT Expendable Property	155,803	43,000	112,803
	Total Services & Supplies	3,300,750	2,909,583	391,167
5550	Data Processing Software	2,000,000	2,000,000	0
	Total Capital Outlay	2,000,000	2,000,000	0
	Totals	13,996,881	14,212,345	(215,464)

*Personal Services will be balanced in January 2024, pending the salary adjustment by state CFO's office to account for Cost of Living Adjustments

**REAL ESTATE BOARD
EDUCATION & LICENSING DIVISION REPORT
October 2, 2023**

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

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

Marcy Weiss hired into the receptionist position.

Education Update

LARRC Certified Continuing Education Providers were notified of the recently approved 2024-2025 LARRC outline.

Licensing Update

For the month of August, complaint processing averaged 12 days.

Upcoming

The Agency will be offering the updated (3 hour) OREA Advertising, General Overview & Property Management class following the board meeting.

RBN Renewal

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Eligible to Renew</u>	414	321	352	348	316	292	256	248				
<u>Failed to Renew</u>	13	13	14	27	13	17	21	17				
<u>% Renewed</u>	97%	96%	96%	92%	96%	94%	92%	93%				

Licensing Statistics

Total Licensee Counts by Month:

Individuals (Persons)	July-23	Aug-23
Broker – Total	17,842	17,806
Active	16,105	16,106
Inactive	1,737	1,700
Principal Broker - Total	6,234	6,235
Active	5,834	5,831
Inactive	400	404
ALL BROKERS Total	24,076	24,041
Active	21,939	21,937
Inactive	2,137	2,104
Property Manager - Total	980	986
Active	860	869
Inactive	120	117
MCC Salesperson	20	19
MCC Broker	0	0
TOTAL INDIVIDUALS	25,076	25,046
Active	22,819	22,825
Inactive	2,257	2,221
Facilities (Companies)		
REMO	5	5
Registered Business Name (RBN)	3,733	3,738
Registered Branch Office (RBO)	795	789
Escrow Organization	83	87
Escrow Branch	171	171
Condominium Filing (CO)	445	462
Unit Owners Association	804	787
Pre-License Education Provider (PEP)	25	25
CEP	296	299
MCC Operator	25	25
TOTAL FACILITIES	6,382	6,388
TOTAL INDIVIDUALS & FACILITIES	31,458	31,434

New Licenses by Month:

Individuals (Persons)	July-23	Aug-23
Broker	154	134
Principal Broker	9	14
TOTAL BROKERS	163	148
Property Manager	9	15
MCC Salesperson	2	0
MCC Broker	0	0
TOTAL INDIVIDUALS	174	163
Facilities (Companies)		
Continuing Education Provider (CEP)	2	2
REMO	0	0
Registered Business Name	17	38
Registered Branch Office	5	5
Escrow Organization	0	4
Escrow Branch	0	0
Condominium Filing	0	0
Unit Owners Association	4	7
Pre-License Ed Provider	0	0
MCC Operator	0	0
TOTAL FACILITIES	26	54
TOTAL INDIVIDUALS & FACILITIES	202	219

Exam Statistics

August 2023

ALL LICENSING EXAMS Total

Broker	430
Property Manager	23
Principal Broker	52
Reactivation	8

Pass Rates

<i><u>First Time Pass Rate</u></i> <i><u>Percentage</u></i>	<i><u>2019</u></i>	<i><u>2020</u></i>	<i><u>2021</u></i>	<i><u>2022</u></i>	<i><u>2023</u></i>
Broker State	57	50	47	44	42
Broker National	70	68	67	66	65
Principal Broker State	51	53	57	54	46
Principal Broker National	69	63	55	65	47
Property Manager	64	58	66	65	64

Oregon Real Estate Agency Education & Licensing Division
Licensee Application & Renewal 2023 Data

New Applications													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Brokers	262	211	275	209	253	247	228	266					1951
Principal Brokers	37	24	37	16	24	30	32	30					230
Property Managers	26	26	35	24	30	20	21	28					210
Total	325	261	347	249	307	297	281	324					2391

Renewal Activity														
Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	482	509	544	527	581	559	557	579					4338
	Inactive	42	28	30	29	28	39	25	39					260
Late	Active	74	48	50	52	67	43	63	57					454
	Inactive	12	8	13	12	12	9	9	8					83
Lapse		111	104	120	121	117	133	168	148					1022
Total		721	697	757	741	805	783	822	831					6157

Principal Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	206	175	212	230	194	235	252	238					1742
	Inactive	20	12	7	10	10	8	9	11					87
Late	Active	13	6	9	10	7	13	11	13					82
	Inactive	2	3	1	3	1	2	0	6					18
Lapse		21	27	27	29	28	29	21	28					210
Total		262	223	256	282	240	287	293	296					2139

Oregon Real Estate Agency Education & Licensing Division
Licensee Application & Renewal 2023 Data

Property Managers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	35	29	35	26	38	29	36	36					264
	Inactive	3	1	1	3	2	0	1	1					12
Late	Active	3	2	0	2	1	0	4	1					13
	Inactive	2	1	0	0	0	1	1	2					7
Lapse		5	5	11	9	7	7	6	11					61
	Total	48	38	47	40	48	37	48	51					357

Grand Total (Brokers, Principal Brokers, Property Managers)														
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Total Eligible to Renew		1031	958	1060	1063	1093	1107	1163	1178					8653
On Time	Active	723	713	791	783	813	823	845	853					6344
	Inactive	65	41	38	42	40	47	35	51					359
Late	Active	90	56	59	64	75	56	78	71					549
	Inactive	16	12	14	15	13	12	10	16					108
Total Renewed		894	822	902	904	941	938	968	991					7360
Lapse		137	136	158	159	152	169	195	187					1293

% On Time		76.4%	78.7%	78.2%	77.6%	78.0%	78.6%	75.7%	76.7%	%	%	%	%	77.5%
% Late		10.3%	7.1%	6.9%	7.4%	8.1%	6.1%	7.6%	7.4%	%	%	%	%	7.6%
% Failed to Renew (Lapsed)		13.3%	14.2%	14.9%	15.0%	13.9%	15.3%	16.8%	15.9%	%	%	%	%	14.9%
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 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

License 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%

<u>Oregon Real Estate Agency Education & Licensing Division Phone Counts</u>													
(Minutes: seconds)	Jan – 23	Feb – 23	Mar – 23	Apr – 23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov--23	Dec-23	2023 Average
Call Count	1642	1368	1603	1428	1438	1286	1283	1468					1440
Average Wait Time	:33	:32	:35	:28	:28	:35	:38	:29					:32
Maximum Wait Time	0:11:07	0:11:14	0:10:58	0:09:13	0:10:11	0:16:20	0:09:26	0:11:08					0:11:12

<u>Oregon Real Estate Agency Education & Licensing Division Phone Counts</u>													
(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

<u>Oregon Real Estate Agency Education & Licensing Division Phone Counts</u>													
(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
October 2, 2023**

Compliance Division Manager: Liz Hayes
Compliance Specialist 2: Jen Wetherbee
Compliance Specialist 1: Roger McComas, Vacant, Vacant

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.

Personnel:

The Division is in the process of recruiting two additional Compliance Specialist 1 positions.

Workload and Activity Indicators

As of 09/19/2023	2015	2016	2017	2018	2019	2020	2021	2022	2023
ELOA	2	2	4	44	79	81	13	55	71
No Violation	356	192	172	375	216	87	10	98	71
Open Investigation	5	3	8	10	29	7	2	13	11
Resolved								72	123
Total Closed	363	197	184	429	324	175	25	238	276
(# of Staff)	4	4	4	5	6	6	1	1-2	2

As of 09/19/2023	January	February	March	April	May	June	July	August	September
ELOA	4	9	11	10	14	5	7	7	9
No Violation	8	9	7	10	7	8	8	7	7
Open Investigation	0	1	2	0	3	0	0	0	4
Resolved	12	5	16	23	13	17	13	18	6
Total Closed	24	24	36	43	37	30	28	32	26
(# of Staff)	2	2	2	2	2	2	2	2	2