

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of

NOELLE P. FRIESEN

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Noelle P. Friesen (Friesen) do hereby agree and stipulate to the following:

FINDINGS OF FACT

&

CONCLUSIONS OF LAW

1.

1.1 Friesen was licensed as a property manager working under the registered business name of NPF Properties.

1.2 On February 7, 2019, the Agency sent Friesen a mandatory clients' trust account reconciliation review for clients' trust account (CTA) ending in #9586, requesting reconciliation documents for October 2018.

1.3 On March 5, 2019, Friesen had a meeting with Agency Compliance Coordinator Deanna Hewitt (Hewitt) at the Agency. At the meeting, it was discovered that Friesen had no clients' trust account records and had been doing all accounting on her phone.

1.4 Clients' trust account ending in #9586 was actually NPF's business operating account and not a true clients' trust account. According to Friesen, rents, security deposits and disbursements were run through her personal and business accounts.

///

///

///

///

1 **(1) Violation:** By using clients' trust account ending in #9586 as both a business operating
2 account and clients trust account (holding both trust funds and funds belonging to Friesen),
3 Friesen violated ORS 696.301(3) as it incorporates ORS 696.241(5) (2017 Edition), which
4 states a licensed real estate property manager may not commingle any other funds with the
5 trust funds held in a clients' trust account.

6 1.5 On March 11, 2019, Friesen opened two new clients' trust accounts: NPF
7 Properties Clients' Trust Account ending in #3274, and NPF Properties Client's Trust Account-
8 Security Deposits ending in #3282. Friesen closed clients' trust account ending in #9586 on
9 March 15, 2019.

10 1.6 Hewitt requested that Friesen check in with her on March 21, 2019, and provide
11 the required reconciliation documents for the reconciliation review. Friesen failed to provide
12 the required documents and an investigation was opened.

13 1.7 Friesen did not have the required records for any of her clients' trust accounts or
14 security deposit accounts.

15 **(2) Violation:** Friesen failed to maintain the required records for clients' trust account
16 ending in # 9586, clients' trust account ending in #3274, and security deposits account ending
17 in #3282, in violation of ORS 696.301(3) as it incorporates OAR 863-025-0035(1)(b)
18 (1/01/2018 Edition). OAR 863-025-0035(1)(b) states the property manager's records of the
19 management of rental real estate are "complete and adequate" as required under ORS
20 696.280 if the records contain, at least, the following: (b) clients' trust account and security
21 deposit account records required by OAR 863-025-0000 to 863-025-0080 and ORS Chapter
22 696.

23 1.8 On June 11, 2019, Agency Financial Investigator/Auditor Liz Hayes (Hayes) left a
24 demand letter with Friesen requiring her to produce April 2019 reconciliations including all
25 supporting documentation for clients' trust account ending in #3274 and security deposit
26 account ending in #3282.

27 1.9 As of July 10, 2019, Friesen failed to provide all of the requested April 2019
28 reconciliation documents.

29 ///

30 ///

1 1.10 As of July 10, 2019 Friesen had not provided the required reconciliation
2 documents related to the mandatory reconciliation review for clients' trust account ending in
3 #9586.

4 **(3) Violation:** By failing to provide all of the requested reconciliation documents for clients'
5 trust account ending in # 9586 and #3274, and security deposits account ending in #3282,
6 Friesen violated ORS 696.301(3) as it incorporates OAR 863-025-0035(2)(a) (1/1/2018
7 Edition), which states: (2) a property manager must produce records required under section (1)
8 of this rule for inspection by the Agency as follows: (a) When the Agency makes a request for
9 production of property management records, the property manager must provide such records
10 within no less than five banking days.

11 1.11 Friesen owners' ledgers lacked some of the required identifying information.
12 The following detail was lacking:

- 13 • Check number or other unique series of letters and/or numbers for
- 14 deposits
- 15 • The date of deposit
- 16 • Date funds are disbursed
- 17 • The check number or bank generated electronic checking number for
- 18 disbursements
- 19 • Payee of disbursement
- 20 • Balance after each recorded entry.

21 **(4) Violation:** By failing to have the required identifying information on her owners' ledgers,
22 Friesen violated ORS 696.301(3) as it incorporates violates OAR 863-025-
23 0055(3)(b)(C),(D),(c)(A),(C),(D), and (E) (1/01/2018 Edition), which states: (3) all owners
24 ledgers must contain at least the following information: (b) for each deposit of funds: (C) the
25 check number, cash receipt number or a unique series of letters and/or numbers and letter to
26 establish an audit trail; and (D)the date funds were deposited; (c) for each disbursement of
27 funds: (A) the date funds were disbursed; (C) the check number or bank generated tracking
28 number; (D) the payee; and (E) the purpose of the disbursement.

29 ///

30 ///

1 1.12 Friesen was requested to provide a copy of her tenant ledgers. However, she
2 only provided a handwritten total of Tenants' ledger. According to the documentation, Friesen
3 managed 21 property in April 2019, and held 9 security deposits totaling \$27,495.00. The
4 bank records for the security deposit account ending in #3282 had an ending balance of
5 \$32,593.82 for April 2019. The \$5,098.82 difference between the bank statement and the total
6 of Tenants' ledger was unexplained. Friesen did not provide copies of individual tenant
7 ledgers.

8 **(5) Violation:** By failing to prepare and maintain individual tenant ledgers Friesen violated
9 ORS 696.301(3) as it incorporates OAR 863-025-0050(1))(1/01/2018 Edition), which states
10 except as provided in section (3) of this rule, a property manager must prepare and maintain at
11 least one tenant's ledger for each tenant or individual from whom the property manager has
12 received any funds under a property management agreement, whether or not the tenant has
13 executed a written rental or lease agreement at the time of the payment of funds to the
14 property manager.

15 **(6) Violation:** By having an unexplained difference in the ending April 2019 bank statement
16 balance compared to the total of tenants' ledgers for April 2019 of \$5,098.82 Friesen violated
17 ORS 696.301(3) as it incorporates OAR 863-025-0028(3)(b) (1/01/2018 Edition), which states:
18 (3) a property manager must reconcile each security deposits account within 30 calendar days
19 of the bank statement date pursuant to the requirements contained in this section. (b) the
20 balances of each component in section (3)(a) of this rule must be equal to and reconciled with
21 each other. If any adjustment is needed, the adjustment must be clearly identified and
22 explained in the reconciliation document.

23 1.13 The total of Tenants' Ledgers showed that the property owners of 10922 SW 65th
24 Ave. Portland, Oregon and 3601 SW River Parkway #2106 Portland, Oregon, held the tenant
25 security deposits. However, the tenant lease agreements both stated the security deposit will
26 be held by the landlord. The property management agreements for both properties failed to
27 note the security deposits were owner held.

28 ///

29 ///

30 ///

1 **(7) Violation:** By having inconsistencies between the total of Tenant's Ledgers, property
2 management agreements and the tenant lease agreements regarding who was holding the
3 security deposits Friesen violated ORS 696.301(3) as it incorporates OAR 863-025-0045(1)(c)
4 (1/01/2018 Edition) and OAR 863-025-0030(1)(a) (1-1-2018). OAR 863-025-0045(1)(c) states
5 (1) the property manager must file and maintain legible copies of all tenant rental or lease
6 agreements for the time period required under OAR 863-025-0035. Each tenant rental or
7 lease agreement prepared by a property manager for residential real estate must contain, in
8 addition to and not in lieu of any applicable requirements of the Residential Landlord and
9 Tenant Act, the following: (c) the amount of and reason for all funds paid by the tenant to the
10 property manager including but not limited to, funds for rent, conditionally refundable security
11 deposits including whether held by the property manager or the property owner, and any fees
12 or other charges. OAR 863-025-0030(1)(a) (1/01/2018 Edition), which states except as
13 provided in section (3) of this rule, all tenants' security deposits received by a property
14 manager must be deposited and maintained in a security deposits account until (a) the
15 property manager forwards the tenant's security deposit to the owner of the property according
16 to the terms of the tenant's rental or lease agreement and the property management
17 agreements.

18 1.14 In March 2019, Friesen opened clients' trust account ending in #3274 and
19 security deposits account ending in #3282 and transferred \$25.00 to each account from NPF
20 Properties operating account ending in #9586.

21 **(8) Violation:** By using her own funds to open clients trust account ending in #3274 and
22 security deposits account ending in #3282 Friesen violated ORS 696.301(3) as it incorporates
23 OAR 863-025-0025(5)(a) and (8)(a) (1/01/2018 Edition), which states: (5) Only the following
24 funds may be held in a clients' trust account: (a) funds received by a property manager on
25 behalf of an owner. (8) Only the following funds may be held in a security deposits account: (a)
26 security deposits as defined in OAR 863-025-0010. Friesen also violated ORS 696.301(3) as
27 it incorporates ORS 696.241(5) (2017 Edition) which states a principal real estate broker or
28 licensed real estate property manager may not commingle any other funds with the trust funds
29 held in a clients' trust account.

30 ///

1 1.15 In May 2019, there were six rent deposits totaling \$5,000.00 made to Friesen's
2 personal account ending in #2405. In June 2019 there were five rent deposits totaling
3 \$4,500.00 made to Friesen's personal account ending in #2405.

4 1.16 On May 23, 2019, Friesen transferred \$9,000.00 from clients' trust account
5 ending in #3274 to her personal account ending in #2405 to pay for two owner distributions
6 and an HVAC repair totaling only \$4,749.00.

7 **(9) Violation:** By putting owner trust funds in her personal account ending in #2405,
8 Friesen violated ORS 696.301(3) as it incorporates OAR 863-025-0065(6) (1/01/2018 Edition),
9 which states: A property manager may not deposit any funds received on behalf of an owner in
10 the property manager's personal account or commingle any such funds received with personal
11 funds of the property manager.

12 1.17 NPF Property's website stated that Friesen had been in the property
13 management industry since 2001 and that she started her own management company in 2003.
14 Friesen did work as a leasing consultant around 2001-2002 and worked her way up to
15 assistant manager. Friesen did not become licensed in Oregon as a property manager until
16 April 2015.

17 **(10) Violation:** By claiming to have started her own management company in 2003 which
18 was untrue, Friesen violated ORS 696.301(4) which states a licensee's real estate license may
19 be subject to discipline if they knowingly or recklessly published materially misleading or
20 untruthful advertising. Additionally, Friesen purported to be in the property management
21 business when she was unlicensed to do so in violation of ORS 696.301(3) as it incorporates
22 ORS 696.020(2) (2017 Edition), which states: An individual may not engage in, carry on,
23 advertise or purport to engage in or carry on professional real estate activity, or act in the
24 capacity of a real estate licensee, within this state unless the individual holds an active license.

25 1.18 From April 16, 2017 to September 26, 2017, NPF Properties was inactive with
26 the Oregon Secretary of State while the registered business name remained active with the
27 Agency.

28 ///

29 ///

30 ///

1 **(11) Violation:** By failing to renew her business with the Oregon Secretary of State and
2 allowing it to become inactive, Friesen violated ORS 696.301(3) as it incorporates OAR 863-
3 024-0095(1) (11/15/2016 Edition), which requires a property manager to register a business
4 name with the Agency before conducting business in a name other than the licensee’s legal
5 name. For the purposes of this rule, “business name” means an assumed name or the name of
6 a business entity, such as a corporation, partnership, limited liability company, or other
7 business entity recognized by law. A licensee must maintain the registered business name
8 with the Oregon Secretary of State’s Corporation Division.

9 1.19 On November 29, 2016, Friesen completed her first active license renewal. She
10 took 11 classes, one being the 3 hour Law and Rule Required Course. She took a total of 32.5
11 hours, but failed to take the required 27- hour Property Manager Advanced Practices Course.
12 When this was pointed out to Friesen during the investigation, she completed the course and
13 provided a copy of her certificate of completion to Hayes.

14 **(12) Violation:** By failing to take the required 27-hour Property Manager Advanced Practices
15 course for her first active renewal Friesen violated ORS 696.301(3) as it incorporates OAR
16 863-020-0010(3)(b) 11/15/2016 Edition, which states: (3) to renew an active license for the first
17 time or before the first license reactivation following an inactive first renewal, a real estate
18 broker and a licensed real estate property manager must comply with the following: (b) a
19 licensed real estate property manager must complete the 27-hour property manager advanced
20 practices course described in OAR 863-022-0022. Additionally Friesen violated ORS
21 696.301(3) as it incorporates ORS 696.174(1)(b)(B) (2015 Edition), which states (1)to renew
22 an active license, a real estate licensee must complete 30 hours of real estate continuing
23 education courses that are eligible for credit under ORS 696.182 during the two years
24 preceding the renewal. The 30 hours must include: (b)(B) if a licensed real estate property
25 manager is reviewing an active license for the first time, an advanced course in property
26 management practices approved by the agency.

27 ///

28 ///

29 ///

30 ///

1 1.20 On November 30, 2018, Friesen completed her second active renewal. On the
2 renewal application Friesen entered in her continuing education. For the courses entered in, it
3 showed Friesen completed her courses in October and November 2018. However, in
4 reviewing the certificates of completion, only one class was completed prior to her renewal,
5 “Building Green.” The rest of her continuing education was completed in February 2019,
6 which was after her renewal.

7 **(13a) Violation:** By failing to complete the required continuing education prior to her 2018
8 renewal, Friesen violated ORS 696.301(3) as it incorporates ORS 696.174(1) (2017 Edition)
9 which states to renew an active license, a real estate licensee must complete 30 hours of real
10 estate continuing education courses that are eligible for credit under ORS 696.182 during the
11 two years preceding the renewal.

12 **(13b) Violation:** By failing to complete the required courses prior to renewal Friesen violated
13 ORS 696.301(3) as it incorporates OAR 863-020-0010(2)(a) and (b) which states (2) to renew
14 an active license, a real estate licensee must provide course information in an online renewal
15 application which demonstrates that the license (a) has completed at least 27 hours of real
16 estate continuing education that are eligible for credit under OAR 863-0020-0035 and 863-020-
17 0040 during the two years preceding renewal and (b) has completed the Board-approved
18 three-hour law and rule required course on recent changes in a real estate rule and law
19 described in OAR 863-022-0055.

20 **(13c) Violation:** By falsely attesting to completing the continuing education prior to her
21 November 2018 renewal Friesen violated ORS 696.301(3) as it incorporates OAR 863-020-
22 0010(5) (1-1-2018 Edition) which states A licensee who falsely certifies that the licensee has
23 completed the required continuing education violates section (2) of this rule and subject to
24 discipline under ORS 696.301. Additionally, Friesen engaged in dishonest conduct
25 substantially related to the fitness of a licensee to conduct professional real estate activity, in
26 violation of ORS 696.301(14) (2017 Edition).

27 1.21 There was no NPF Properties sign posted at Friesen’s main office.

28 ///

29 ///

30 ///

1 **(14) Violation:** By failing to have the main office designated by a sign, Friesen violated ORS
2 696.301(3) as it incorporates ORS 696.200(1)(c) (2017 Edition), which states (1) a licensed
3 real estate property manager or principal real estate broker shall: (c) designate the main office
4 by a sign that contains the name under which the real estate licensee conducts professional
5 real estate activity as provided in ORS 696.026.

6 1.22 On May 22, 2019, the “Featured Properties” page on NPF Properties’ website it
7 appeared there were 31 properties available. Friesen provided a list of properties she
8 currently managed at that time, totaling only 26. Of the 31 properties listed on the website, 11
9 of the properties were no longer managed by Friesen.

10 **(15) Violation:** By having 11 properties listed on NPF Properties’ website that Friesen no
11 longer managed she violated ORS 696.301(3) as it incorporates OAR 863-025-0020(1)
12 (1/01/2018 Edition), which states: A property manager must not engage in the management of
13 rental real estate without a written, unexpired property management agreement between the
14 owner and the property manager. In doing so, Friesen engaged in dishonest conduct
15 substantially related to the fitness of a licensee to conduct professional real estate activity, in
16 violation of ORS 696.301(14) (2017 Edition). Friesen also violated ORS 696.301(3) as it
17 incorporates ORS 696.301(4) (2017 Edition), which states: a licensee’s real estate license may
18 be subject to discipline if they knowingly or recklessly published materially misleading or
19 untruthful advertising.

20 1.23 All of the above demonstrates incompetence or untrustworthiness in performing
21 acts for which Friesen is required to hold a license.

22 **(16) Violation:** ORS 696.301(12) (2017 and 2015 Editions) which states a licensee’s real
23 estate license may be disciplined if they have demonstrated incompetence or
24 untrustworthiness in performing any act for which the licensee is required to hold a license.

25 ///
26 ///
27 ///
28 ///
29 ///
30 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

2.

2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301. Based on these violations a reprimand is appropriate for violations of ORS 696.301(3),(4), (12), and (14).

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

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

2.4 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.

STIPULATION & WAIVER

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

///
///

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

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

8 ORDER

9 IT IS HEREBY ORDERED that Friesen’s property manager license be, and hereby is
10 reprimanded.

11 IT IS FURTHER ORDERED that Friesen complete a minimum of a three hour course on
12 the subject matter of handling and accounting for client trust funds. Friesen must submit a
13 certificate showing completion of the course to the Agency. This documentation must be
14 submitted to the Agency no later than six months from the date the Commissioner signs this
15 stipulated order.

16 ///
17 ///
18 ///
19 ///
20 ///
21 ///
22 ///
23 ///
24 ///
25 ///
26 ///
27 ///
28 ///
29 ///
30 ///

1 IT IS FURTHER ORDERED that Friesen submits reconciliations and supporting
2 documentation for clients trust account ending in #3274 and security deposits account ending
3 in #3282 for the months of October 2020, January 2021, April 2021, and July 2021. These
4 reconciliations and supporting documentation must be submitted to Agency Compliance
5 Coordinator Rob Pierce for review.

- 6 • The October 2020 reconciliations for both clients' trust account ending in #3274 and
7 security deposits account ending in #3282 must be submitted to the Agency by
8 November 30, 2020.
- 9 • The January 2021 reconciliations for both clients' trust account ending in #3274 and
10 security deposits account ending in #3282 must be submitted to the Agency by
11 March 1, 2021.
- 12 • The April 2021 reconciliations for both clients' trust account ending in #3274 and
13 security deposits account ending in #3282 must be submitted to the Agency by
14 June 1, 2021.
- 15 • The July 2021 reconciliations for both clients' trust account ending in #3274 and security
16 deposits account ending in #3282 must be submitted to the Agency by August 31,
17 2021.

18
19 IT IS SO STIPULATED:

IT IS SO ORDERED:

20
21 DocuSigned by:
22 Noelle P. Friesen
23 7C82A27C231B430
NOELLE P. FRIESEN

21
22 DocuSigned by:
23 Steven Strode
24 D141D267DDE14A0...
STEVEN STRODE



25 Date 7/3/2020 | 1:09 PM PDT

25 Real Estate Commissioner
Date 7/6/2020 | 9:31 AM PDT

26
27 Date of Service: 07/06/2020