

REAL ESTATE AGENCY  
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of )  
JOHN F GORSLINE ) STIPULATED FINAL ORDER

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

FINDINGS OF FACT  
AND  
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Gorsline was licensed as a principal broker acting in a supervisory capacity and doing business under the registered business name of Wallowa Mountain Properties, Inc (WMP).

1.2 On March 23, 2023, WMP Client Trust Account ending in #8902 (CTA #8902) was selected by the Agency for a reconciliation records review.

1.3 On April 14, 2023, reconciliation records were received from WMP property manager Elisa Gamboa (Gamboa).

1.4 Agency Compliance Specialist Jenifer Wetherbee (Wetherbee) corresponded with Gamboa to receive further reconciliation records documents between May 8, 2023, and August 31, 2023.

1.5 On October 4, 2023, Wetherbee notified Gamboa by email the records provided to the Agency by WMP did not complete a three-way reconciliation. Wetherbee requested an explanation regarding the ownership of a balance of \$12,753.51.

1.6 On November 6, 2023, Gamboa emailed Wetherbee stating she had, "no way to know where the extra funds were from." Gamboa stated WMP hired an accountant to review

1 statements and ledgers back to 2017. A timeline for completion of that review was not provided  
2 to the Agency.

3 1.7 On December 8, 2023, an investigation was opened due to outstanding issues  
4 found in the review and assigned to Investigator John Moore (Moore).

5 1.8 On April 1, 2024, Case Resolution Coordinator Amanda Moser emailed Gorsline  
6 requesting a three-way reconciliation of CTA #8902 for February 2024, supporting documents,  
7 and inter-company supervision agreement.

8 1.9 On April 25, 2024, Gamboa provided documents which included a three-way  
9 Reconciliation Form for February 2024, a bank statement for CTA #8902, a Balance Sheet  
10 Detail Report, a Reconciliation Report, an Owners' Ledger, and an Authorization to Control  
11 Broker's Business.

12 1.10 The Authorization to Control Broker's Business identifies Gorsline as the licensee  
13 responsible for review and approval of CTA reconciliations.

14 1.11 The owner's ledger provided to Moore did not include transaction details, running  
15 balances, or ending balances for each owner.

16 **(1) Conclusion of Law:** By failing to record the balance after each recorded entry in the  
17 owner ledger, Gorsline violated ORS 696.301(3), and its implementing rule OAR 863-025-  
18 0055(3)(d) (1/1/24 Edition).

19 1.12 In a phone interview with Gamboa on May 9, 2024, Gamboa stated to Moore that  
20 WMP had not been reconciling CTA accounts and performing three-way reconciliations since  
21 2017.

22 1.13 Gamboa told Moore that due to outstanding issues in reconciling CTA #8902,  
23 WMP opened two new clients' trust accounts, ending in #0965 and #0966 (CTA #0965) (CTA  
24 #0966).

25 1.14 In a phone interview with Gorsline and Gamboa on June 12, 2024, Gorsline  
26 stated that WMP did not have a designated staff member to prepare reconciliation records.  
27 Gorsline stated that he had not been supervising reconciliation activities.

28 1.15 On May 15, 2024, Gamboa submitted to Moore a February 2024 three-way  
29 reconciliation form for CTA #8902 and CTA #0965. The email also included February 2024  
30

1 bank statements for CTA #8902 and CTA #0965, a General Ledger, a Balance Sheet Detail  
2 and a Bank Reconciliation Report. No owner's ledger was provided.

3 1.16 The reconciliation form provided was incomplete. Items in part 1 were illegible,  
4 part 3 of the form was illegible, and part 2 of the form showed an outstanding balance. Part 4  
5 of the report showed a discrepancy of \$6,937.96.

6 **(2) Conclusion of Law:** By failing to reconcile CTA #8902 three-ways within thirty calendar  
7 days of the date of the bank statement, as required by statute and rule, from 2017 forward, and  
8 by failing to ensure CTA #8902 and CTA #0965 were balanced, Gorsline violated ORS  
9 696.301(3) and its implementing rule OAR 863-025-0028(2)(a)(A)(B)(C)(b)(c)(d)(A)(B)(e)  
10 (1/1/18, 1/1/19, 1/1/20, 1/1/21, 1/1/22, 1/1/23, and 1/1/24 Editions).

11 1.17 General Ledger entries for receipts and disbursements did not contain a property  
12 identifying code.

13 **(3) Conclusion of Law:** By failing to include an identifying owner code in a multiple owner  
14 clients' trust account, Gorsline violated ORS 696.301(3) and its implementing rule OAR 863-  
15 025-0040(2)(c)(1/1/24 Edition)

16 1.18 In an interview with Gamboa and Gorsline on June 12, 2024, Gamboa said they  
17 had not identified the reason for the difference on part 4 of the reconciliation report or who the  
18 money belonged to.

19 1.19 During the interview, Gorsline stated to Moore that he believed the discrepancy  
20 in funds was due to WMP placing funds into CTA #8902.

21 1.20 Gorsline stated to Moore that CTA #8902 had not been balanced for some time.

22 1.21 Gorsline stated to Moore that he thought prior property managers had been  
23 conducting three-way reconciliations for WMP's clients' trust accounts.

24 1.22 Gorsline also stated to Moore during the interview that there was not a written  
25 designation of staff members to prepare reconciliation reports and manage CTA funds.

26 **(4) Conclusion of Law:** By failing to maintain a supervision agreement between himself,  
27 as the licensee in charge, and the property manager licensee responsible for performing client  
28 trust account reconciliations, Gorsline violated ORS 696.310(2)(a)(A)(B) (2023 Edition)

29 1.23 Schedule C was not completed on the three-way reconciliation form provided for  
30 CTA #0965.

1           1.24 The February 2024 bank statement for the CTA #0965 shows an account  
2 analysis service charge of \$8.22. The general ledger shows a deduction of \$8.22 on February  
3 29, 2024, to the trust account.

4           1.25 Gorsline stated to Moore in an interview that there should not have been any  
5 charges posted to CTA #0965.

6 **(5) Conclusion of Law:** By allowing charges not identified in the property management  
7 agreement to be posted to the clients' trust account, Gorsline violated ORS 696.301(3) and its  
8 implementing rule OAR 863-025-0020(3)(c) (1/1/24 Edition),

9           1.26 The February 2024 General Ledger provided to Moore did not include a  
10 description of the purpose of the funds it contained or corresponding deposit dates.

11 **(6) Conclusion of Law:** By failing to maintain a record of receipts and disbursements  
12 including the purpose of funds received and date funds were deposited, Gorsline violated ORS  
13 696.301(3) and its implementing rule OAR 863-025-0040(2)(a)(C)(D) (1/1/24 Edition).

14           1.27 The February 2024 bank statement submitted to the Agency for CTA #8902  
15 showed that the CTA accrued \$0.13 in interest.

16           1.28 In an interview on June 12, 2024, Gorsline stated to Moore he was not aware  
17 CTA #8902 was an interest-bearing account.

18 **(7) Conclusion of Law:** By not accounting for earned interest in the property management  
19 agreement, Gorsline violated ORS 696.301(12) and its implementing rule OAR 863-025-  
20 0020(3)(b)(A)(B) (1/1/18, 1/1/19, 1/1/20, 1/1/21, 1/1/22, 1/1/23, 1/1/24 Editions)

21 **(8) Conclusion of Law:** The above violations demonstrate Gorsline failed to meet  
22 obligations to the property owner, a violation of ORS 696.301(3) as it incorporates ORS  
23 696.890(4)(c)(d)(e) (2017, 2019, 2021, and 2023 Editions)

24           1.29 All of the above demonstrates incompetence and untrustworthiness in performing  
25 professional real estate activity and engaged in conduct that is below the standard of care for  
26 the practice of professional real estate activity in Oregon as established by the community of  
27 individuals,

28 **(9) Conclusion of Law:** Based on the foregoing, Gorsline is subject to discipline under  
29 ORS 696.301(12) and (15) (2023 Edition)

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1 2.

2 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

3 2.2 The Agency reserves the right to investigate and pursue additional complaints  
4 that may be received in the future regarding this licensee.

5 2.3 In establishing the violations alleged above, the Agency may rely on one or more  
6 of the definitions contained in ORS 696.010.

7  
8 3.

9 STIPULATION AND WAIVER

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

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

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

IT IS HEREBY ORDERED that John Gorsline’s principal broker license be, and hereby is reprimanded

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:  
*John Gorsline*  
B048E9E21B12464...  
JOHN GORSLINE

Signed by:  
*Steve Strode*  
E2C2D0097AD8471...  
STEVEN STRODE



Date 10/10/2024 | 12:19 PM PDT

Date 10/10/2024 | 2:02 PM PDT

Date of Service: 10/10/2024