

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)
GREGORY STEWART LLOYD) STIPULATED FINAL ORDER

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

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Lloyd was licensed as a principal broker with Porter Brauen Real Estate Services, Inc (Porter Brauen).

1.2 A prior investigation was conducted by the Agency in 2012, stemming from notification the Agency received from Lloyd with information that clients' trust account funds had been embezzled by Porter Brauen's CFO.

1.3 During the course of the prior investigation, Lloyd informed the Agency Investigator the clients' trust account ending in 7993 (CTA #7993) and clients' trust account security deposit ending in 8009 (CTA-SD #8009) both had shortages.

1.4 In November 2014, Lloyd sent a letter to the Agency claiming he would be closing existing CTAs, writing "New client trust accounts that do not have fees pulled from the account and are exempt from garnishment have been established at Key Bank [sic]."

1.5 Lloyd provided the Agency with a letter from KeyBank confirming two new accounts had been established. The two new accounts were clients' trust account ending in 2549 (CTA #2549) and clients' trust account-security deposit ending in 2564 (CTA-SD #2564).

1 1.6 On June 16, 2023, Lloyd was notified that CTA-SD 8009 had been selected for
2 review. Documents for April 2023 were requested and received. An investigation was opened
3 due to the outstanding issues found in the review.

4 1.7 On August 15, 2023, Agency staff emailed Lloyd with instructions on how to
5 close clients' trust accounts with the Agency, as well as a request to provide documentation
6 from the bank that the accounts had been closed.

7 1.8 On September 22, 2023, Lloyd emailed the Agency providing a letter from Chase
8 Bank stating that CTA-SD #8009 and clients' trust account ending in 7985 (CTA #7985) were
9 closed.

10 1.9 CTA #7985 was closed on July 6, 2018, and CTA-SD #8009 was closed on
11 September 15, 2023.

12 1.10 On March 28, 2024, Lloyd emailed the Agency referring to a previous Agency
13 request for documentation showing that CTA #7993 had been closed. Lloyd wrote "I am still
14 waiting for the Chase documentation..."

15 **(1) Conclusion of Law:** By failing to notify the Agency within 10 business days of closing
16 clients' trust accounts, Lloyd violated ORS 696.301(3) and its implementing rule OAR 863-025-
17 0025(4) 1/1/2018 through 1/1/2023 Editions. In addition, Lloyd violated ORS 696.301(3) as it
18 incorporates ORS 696.245(3) 2023 Edition.

19 1.11 A review of the April 2023 bank statement, provided by Lloyd, showed CTA-SD
20 #8009 had a beginning and ending balance of \$0.00. The title of the CTA-SD #8009 on the
21 bank statement is shown as "Porter Brauen Real Estate Service INC Porter Brauen Property
22 Management."

23 1.12 Lloyd was not able to provide the Agency bank statements showing CTA-SD
24 #2564 had been corrected to show the clients' trust account designation.

25 **(2) Conclusion of Law:** By failing to maintain the required account identification labels on
26 CTA-SD #8009 and CTA-SD #2564, including the designation of the accounts as clients' trust
27 account – security deposit account, Lloyd violated ORS 696.301(3) and its implementing rule
28 OAR 863-025-0025(1)(b) 1/1/2023 Edition.

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1 1.13 Agency Investigator Cidia Nañez (Nañez) reviewed security deposit lists for
2 March, June, and September 2022, showing changes in tenant occupancy that were not
3 reflected in the CTA-SD #2564 bank statements.

4 1.14 The June 2022 security deposit list for Property 2719-41, shows a \$2,200.00
5 security deposit held.

6 1.15 The June 2022 bank statement for CTA-SD 2564 does not reflect an increase of
7 \$2,200.00 in the ending balance.

8 1.16 On April 8, 2024, Lloyd provided Nañez the bank statement for CTA #2549,
9 which showed a \$2,200.00 deposit on May 18, 2022.

10 **(3) Conclusion of Law:** By failing to deposit a \$2,200.00 security deposit into CTA-SD
11 #2564, Lloyd violated ORS 696.301(3) and its implementing rule OAR 863-025-0030(2)
12 1/1/2022 Edition. In addition, Lloyd violated ORS 696.301(3) and its implementing rule OAR
13 863-025-0025(5(a)(7) 1/1/2022 Edition.

14 1.17 In the April 8, 2024, email sent by Lloyd, he provided the tenant ledger which
15 documented an incoming security deposit of \$1,600.00 for the property identified as 9334N#5.

16 1.18 The November 2022 bank statement for CTA-SD #2564 does not reflect an
17 increase of \$1,600.00 in the ending balance.

18 1.19 The November 2022 bank statement for CTA #2549 shows a security deposit of
19 \$1,600.00 which was deposited on November 25, 2022.

20 **(4) Conclusion of Law:** By failing to deposit a \$1,600.00 security deposit into CTA-SD
21 #2564, Lloyd violated ORS 696.301(3) and its implementing rule OAR 863-025-0030(2)
22 1/1/2022 Edition.

23 1.20 In a review of the June 2022 security deposit list, the property identified as 2703-
24 41 shows a \$1,875.00 security deposit being held.

25 1.21 In an interview with Lloyd on February 27, 2024, Lloyd explained that if a CTA
26 account was short, and there were not funds in the business account, that the funds would
27 come from his personal account.

28 1.22 On April 3, 2024, Nañez requested that Lloyd provide the tenant ledger for
29 property 2703-41, showing the final accounting and record of payment to the tenant.
30

1 1.23 On April 8, 2024, Lloyd provided the tenant ledger for property 2703-41, as well
2 as the September 2022 bank statement for CTA #2549, and final accounting. Lloyd explained
3 the refund due to the tenant was the combination of the \$1,875.00 security deposit, along with
4 \$3,055.00 in overpayment of rent and utilities.

5 1.24 A review of the September 2022 bank statement for CTA #2549 showed an
6 outgoing transfer of \$4,930.00 on September 13, 2022, to the tenant.

7 **(5) Conclusion of Law:** By failing to deposit and maintain a \$4,930.00 security deposit in a
8 clients' trust account – security deposit, Lloyd violated ORS 696.301(3) and its implementing
9 rule OAR 863-025-0030(1)(c) 1/1/2022 Edition.

10 1.25 Lloyd provided Nañez the tenant ledger for the property identified as 3229SE
11 showing the final accounting of tenants' deposits, along with the August 2022 bank statement
12 for CTA #2549, showing the record of payment to the tenants.

13 **(6) Conclusion of Law:** By failing to maintain the security deposit for Property 3229SE in a
14 clients' trust account – security deposit, Lloyd violated ORS 696.301(3) and its implementing
15 rule OAR 863-025-0030(1)(c) 11/15/2016 through 1/1/2023 Editions. In addition, Lloyd
16 violated ORS 696.301(3) and its implementing rule OAR 863-025-0025(5)(6)(a) 11/15/2016
17 Edition, and later editions OAR 863-025-0025(5)(a)(7) 1/1/2018 through 1/1/2023 Edition.

18 1.26 On December 22, 2023, Lloyd emailed Nañez, and wrote that "Security Deposits
19 Refunds have not been used to pay owner proceeds and owner proceeds have not been used
20 to pay Security Deposit Refunds." Lloyd continued, "The Security Deposit Refunds are drawn
21 from (sic) the Security Deposit Client Trust Account when tenants move out or paid toward
22 damage repairs if needed. For any Security Deposit Client Trust Account shortages, our office
23 pays funds directly (sic) from our operating account."

24 **(7) Conclusion of Law:** Lloyd notified the Agency that any security deposit refunds were
25 drawn from the clients' trust account – security deposit. A review of Lloyd's property
26 management records show security deposit funds were deposited and disbursed from CTA
27 #2549. This is Grounds for Discipline under ORS 696.301(12)(15) 2023 Edition.

28 1.27 All of the above demonstrates incompetence or untrustworthiness in performing
29 acts for which the real estate licensee is required to hold a license.

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1 **(8) Conclusion of Law:** Based on the foregoing, Licensee is subject to discipline under
2 ORS 696.301(12) 2015, through 2023 Editions)

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4 2.

5 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

6 2.2 The Agency reserves the right to investigate and pursue additional complaints
7 that may be received in the future regarding this licensee.

8 2.3 In establishing the violations alleged above, the Agency may rely on one or more
9 of the definitions contained in ORS 696.010.

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14 STIPULATION AND WAIVER

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

26 I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and
27 understand that the Order which follows hereafter, which I have also read and understand,
28 may be completed and signed by the Real Estate Commissioner or may be rejected by the
29 Real Estate Commissioner. I further understand that, in accordance with the provisions of ORS
30 696.445(3), notice of this Order shall be published in the Oregon Real Estate News Journal.

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

4 ORDER

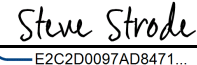
5 IT IS HEREBY ORDERED that Gregory Lloyd's principal broker license be, and hereby
6 is reprimanded.

7 IT IS FURTHER ORDERED that due to the violations addressed above Gregory Lloyd
8 will be subject to a future clients' trust account reconciliation review within 6 months of the
9 issuance of this order.

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11 IT IS SO STIPULATED:

IT IS SO ORDERED:

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13 DocuSigned by:
14  REALTOR
15 6DF08F7B562347D...
16 GREGORY LLOYD

13 DocuSigned by:
14 
15 E2C2D0097AD8471...
16 STEVEN STRODE



17 Date 6/21/2024 | 10:44 AM PDT

17 Date 6/21/2024 | 11:48 AM PDT

18
19 Date of Service: 6/21/2024